Daily Report

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Arbnori, IBM Discuss Bilateral Cooperation

AU1612162192 Tirana ATA in English 0931 GMT 16 Dec 92

[Text] Tirana December 16 (ATA)—On December 15, Pjeter Arbnori, chairman of the Presidency of the People's Assembly, met the delegate of the famous international firm IBM for Albania, Hans Georg Knoblich [name as received]. During the negotiations Mr. Knoblich briefed Mr. Arbnori on the work done by this firm in Albania and the concrete aid it will give in the future. They also dealt with the importance of the creation of the Albanian branch of IBM only with Albanians. Mr. Pjeter Arbnori said: We are ready to overcome different bureaucratic hindrances facing you.

Meksi, Polish Minister Discuss Cooperation

AU1612162792 Tirana ATA in English 0930 GMT 16 Dec 92

[Text] Tirana, December 16 (ATA)—On December 15, Premier Aleksander Meksi met the Polish Minister of Transportation Zbigniew Jaworski and the delegation escorting him in Albania.

Mr. Meksi speaking of the need of promoting the bilateral contacts, which help to find out new ways and opportunities of cooperation, said that Albania is interested in developing the relations with Poland in all the fields of mutual interest. He pointed to the opportunities existing for cooperation in the field of motor road, railway, and maritime transportation.

On his part, the Polish minister of transportation pointed to the understanding between the two parties to realize in practice ambitious programs in the field of transportation. He also underlined the possibilities existing to train Albanian specialists at the middle and higher schools of Poland. We wish to continue the contacts at all levels and to increase cooperation, particularly in the field of transportation.

Flemish-Albanian Chamber of Commerce Established

AU1712175492 Tirana ATA in English 1120 GMT 17 Dec 92

[Text] Tirana, December 17 (ATA)—Recently the Flam-Albanian [name as received] Joint Chamber, centered in the region of Flanders, was created. Members of it are different businessmen in Flanders and political personalities in Belgium and Albania.

The activity of this chamber encourages the cooperation, business, and Flam investors in Albania. Upon the initiative of this chamber and of the Flam Ministry in Belgium, there was organized the visit of a group of Flam industrialists in Albania. They took interest in tourism, production of confections with the material provided by the one who makes the order, construction of hotels, hospitals, schools for tourism, transport, agriculture in order to implement their projects. Flam businessmen will encourage the activity of the Albanian Chamber of Commerce.

During the first visit in Albania, they discussed on the possible application of the Flam project to provide assistance to Albania in the context of PHARE [Economic Reconstruction Aid for Poland and Hungary] Program of the European Community. In the future, the Joint Flam-Albanian Joint Chamber will open its office in Tirana.

French Officials Briefed on Assembly Problems

AU1712150592 Tirana ATA in English 0912 GMT 17 Dec 92

[Text] Tirana, December 17 (ATA)—A cordial friendly and constructive meeting was conducted yesterday between the chairman of the Presidency of the People's Assembly, Mr. Pjeter Arbnori, and the two French authorities, Mr. Jean Francoise Deniau and Admiral Anolenco, French parliamentarians. Mr. Arbnori made a presentation of the Albanian situation and parliamentary problems, the relation of the political forces in the Assembly, and the intensive work for the creation of a contemporary democratic legislation. They also spoke of the promotion of the democratic processes and the obstacles these processes encounter due to some political forces, which aim the destabilisation of the country, also through the political misinformation.

The French guests expressed their goodwill and readiness who, besides the reopening of the French licee of Korce and the introduction of a TV channel in our country, will contribute that France helps Albania in the fields of culture, tourism, various sectors of economy and infrastructure. Attending the meeting was also the ambassador of the French Republic in Albania, Mr. Jacques Fores.

Bill on Creation of Joint Italian Bank Discussed

AU1712180092 Tirana ATA in English 1116 GMT 17 Dec 92

[Text] Tirana, December 17 (ATA)—The creation of the Italian-Albanian Joint Bank is a success of the Albanian Government and Bank, the deputies in the People's Assembly said yesterday while examining the respective draft law. The deputies pointed out that this first joint bank opens the way to agreements with other banks.

Discussing in principle, the chairman of the Commission of Economy and Finances, Jemin Gjana, who also spoke on behalf of the Democratic Party parliamentary group, said that the creation of this bank with a powerful partner, such as Banca Di Roma, not only creates credibility for the Albanian Bank but also is a support for the realization of the economic reform in Albania. He also suggested a change to the Law on the Bank System, which was approved by the parliament. The head of the Social Democratic Party parliamentary group, Teodor

Laco, pointed to the importance of creating the joint bank. On behalf of the Socialist Party parliamentary group, A. Angjeli wished that such agreements be also reached with other banks and made remarks and suggestions on the statute, taxes, etc.

The governor of the Albanian Bank, Ilir Hoti, responded to the questions put by the deputies and said that by the end of 1990 the Albanian National Bank resulted with a negative position of $1 million. The Italian party, he said, has demanded legal support by the Albanian parliament, which is also related to the period of transition we are undergoing. Deputy Fatos Nano, in his debate with the governor, demanded that in this draft law we should not be equivocal or maintain a double stand, because then other foreign banks, which we might reach agreements with, will also demand treatment from our parliament, on which the necessary explanations were given.

Approving the draft law in principle, they examined it article per article. The deputies voted the 22 articles and then they approved the draft law in its entirety.

Ethnic Albanians To Boycott Serbian Elections

AU1712093692 Tirana ATA in English 0917 GMT 17 Dec 1992

[Text] Tirana, December 17 (ATA)—The ATA correspondent in Pristina, Belul Jashari, writes:

The Albanians in Kosova, who conducted their elections last May, will not take part in the December 20 elections as they judge them alien to the Republic of Kosova. Meanwhile the Serb authorites called on the Albanians of different communes of Kosova to take part in them and they are even getting ready the electors' lists. The Socialist Party of Serbia which is in power, is more involved in exerting power. It does this in order to manipulate the elections. But despite this, the Albanians throughout Kosova refuse to take part in the December 20 elections conducted by the Serbs.

Finance Department Reports 'Perceptible' Price Growth

AU1612160392 Tirana ATA in English 1119 GMT 16 Dec 92

[Text] Tirana, December 16 (ATA)—A report of the Statistical Department says that during November 1992 the price of mass consumer goods as against October increased by 3.5 percent and compared to December 1990, the price rise index amounted to 678 percent.

During this month there was a 4.5 percent price rise of the foodstuffs—tobacco group. There was recorded a perceptible growth of the prices of the sub group dairy stuffs, eggs by 12.8 percent. We mention here the curd, whose price increased by 13.5 percent, cheese 20.9 percent, butter 15.6 percent. The prices of fats increased by 6.3 percent and fruits and vegetables by 5.7 percent. During this month, the prices of some food items reduced owing to the influx of enormous quantities of such items. Consequently the price of rice reduced by 22.5 percent, sugar 6.7 percent, etc.

The price of clothes and shoes group increased by 2.9 percent. A perceptible growth amongst these items was recorded in the prices of overcoats 5.7 percent, stockings 9.8 percent. The prices of the other items of this group have not recorded a perceptible price rise or have been reduced.

During this month prices increased at lower rates than previously. Comparing it with October and November, this growth is 3.5 percent as against 11.5 percent in October. The group food, drinks, and tobacco increased by 4.5 percent as against 13.5 percent in October.

Import-Export Figures Increase During November

AU1712175392 Tirana ATA in English 1126 GMT 17 Dec 92

[Text] Tirana, December 17 (ATA)—Characteristic of export-import for November is the increase of absolute figure and the percentage of goods exported by the private subjects compared to October, the statistician of General Customs' Department told the ATA correspondent. Private firms' exports increased by 4.3 percent as against a month ago.

The Albanian imports increased during November. Imports amounted to 1,757,640,000 leks or 270,021,000 as much as in October. Some 5,714 trucks, 271 ships, 468 aircrafts, and 8 trains have crossed our customs' centers during November. The income from customs' obligations amount to 403,168,000 leks. Out of them 70 belong to the Customs of Tirana and Durres.

Heavy Losses Due to UN Sanctions Sustained

AU1712192292 Sofia BTA in English 1807 GMT 17 Dec 92

[Text] Ruse, December 17 (BTA)—The Bulgarian River Shipping Company has been sustaining half a million dollar losses everyday since the introduction of the ban on transit shipments via Serbia and Montenegro.

The company's ships are still transporting some cargo only in the upper reaches of the Danube and between Bulgarian and Ukrainian ports, which cannot compensate for the losses. Because of the embargo the River Shipping Company is declining profitable contracts with clients whose goods have been included in the resolution of the UN Security Council. As regards the already loaded barges, the Bulgarian river fleet is waiting for permission from the UN Sanctions Committee for their departure. The "Stara Planina" and "Khristo Botev" ships are still in the Serbian section of the Danube and are on their way to Bulgaria.

Today the river fleet leadership in Ruse sent a new letter care of the mission for assisting the implementation of the sanctions in Bulgaria to the UN Sanctions Committee asking for permission for Bulgarian ships to carry out transit shipments along the river of cargo to reliable consignees who guarantee that the goods will not then be sent to Serbia and Montenegro. According to the River Shipping Company such a permission would help it implement its contract obligations and reduce, though slightly, its losses.

Dogan Comments on Second Round of Cabinet Talks

AU1712213592 Sofia Khristo Botev Radio Network in Bulgarian 2030 GMT 17 Dec 92

[Text] This evening, the delegations appointed by the Union of Democratic Forces [SDS] and Rights and Freedoms Movement [DPS] ended their second meeting. The DPS representatives were informed about the new, more precise interpretation of the seven conditions imposed by the SDS that were formulated as part of the contents of the proposed political agreement between the two sides.

DPS leader Ahmed Dogan stressed that he reminded the SDS representatives that they should commit themselves more responsibly to the task of selecting a candidate or candidates for prime minister. The formula of a government of national responsibility launched by the DPS has not yet developed into a concept, he said. According to Ahmed Dogan, these words will be filled with meaning when the key figure of the prime minister candidate is nominated. Dogan stressed that it was of no special importance whether the government would be a coalition one or a purely SDS administration. What the DPS demands is that the future government commit itself to values that concern the security of the state and the nation during the transition of which we are now in the midst.

Asked when the two political forces would sign the envisaged agreement, Ahmed Dogan replied that it is likely to be signed immediately before the candidate prime minister is officially proposed, which would also constitute the so-called transfer of the mandate into the hands of the candidate prime minister. At the moment, the SDS and DPS delegations have agreed that the SDS coalition should officially propose the candidate prime minister.

Cabinet Tightens CIS Citizens' Entry Conditions

AU1712202892 Sofia BTA in English 2017 GMT 17 Dec 92

[Text] Sofia, December 17 (BTA)—The Council of Ministers decided today to introduce temporary additional measures as of January 1, 1993, concerning citizens of Russia, the CIS, and the Republic of Georgia entering and sojourning in Bulgaria. These citizens will be required to have funds amounting to 40 U.S. dollars a day, a legalized invitation for private visits, and a document certifying the purpose of the visit (fax, telex or telegram) from the Bulgarian side. The Ministry of Foreign Affairs has been assigned to inform these states through diplomatic channels that if things take an unfavourable turn for Bulgaria this country is ready to introduce visa regulations for the entering and sojourn of their citizens in Bulgaria and to propose bilateral agreements for facilitated visa regulations.

SDS Council Views Candidates for Prime Minister

AU1712173492 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 17 Dec 92

[Text] The SDS [Union of Democratic Forces] should clearly pose to the Rights and Freedoms Movement [DPS] the problem of the composition of the future government and whether the DPS will really concede its mandate. This decision was reached at this morning's meeting of the SDS National Coordinating Council. According to the leaders of the parties and organizations in the SDS coalition, if the mandate is conceded, this means that the person to conduct talks on forming a government will be the person nominated by the SDS for the post of prime minister.

At its session today, the SDS National Coordinating Council also discussed possible candidates for prime minister. Stefan Savov and Svetoslav Luchnikov were among the names mentioned. The decision will probably be made at the next meeting of the National Coordinating Council, which was scheduled for tomorrow.

A short time ago we received news that Stefan Savov has declined to offer himself as a prime minister candidate in a future SDS-DPS coalition government. Ivan Tsenov informed a BTA reporter of this development.

We are expecting the SDS parliamentary group to make specific proposals on the future agreement, but at the

moment we have no concrete proposals from the SDS deputies, [DPS parliamentary spokesman] Osman Oktay told journalists. He said that the DPS is ready to hold discussions on any issues that are raised.

The DPS also held consultations with the Bulgarian Socialist Party [BSP] on certain structural changes that the future cabinet is to make and, of course, concerning various candidates for the posts of prime minister and ministers. DPS leader Ahmed Dogan declared that the DPS is extremely keen on dialogue with the extraparliamentary forces, adding that in the present situation no government can survive without a broad social basis.

The DPS leadership also held a meeting with the leadership of the Bulgarian Democratic Center, at which they exchanged views concerning the political crisis.

At the moment, consultations on the formation of a new cabinet are taking place at the offices of the Podkrepa Labor Confederation between DPS leaders and members of the Podkrepa Executive Council.

KNSB, Podkrepa Vow Support for Strong Cabinet

AU1712181292 Sofia BTA in English 1739 GMT 17 Dec 92

[Report by Evgeniya Drumeva]

[Text] Sofia, December 17 (BTA)—The two major trade union amalgamations in Bulgaria—the Confederation of Independent Trade Unions in Bulgaria (KNSB) and the Podkrepa Labour Confederation—declared themselves for a strong and efficient cabinet. The trade union leaders said they have no claims as regards the formula of the future cabinet but have some requirements concerning its programme. Both the KNSB and Podkrepa are among the organizations with which the ethnic Turks' Movement for Rights and Freedoms (DPS) held negotiations after receiving a mandate to form a cabinet.

Podkrepa is for the formation of a strong cabinet; we are not interested in its formula or composition, but if this cabinet fails to receive the approval of parliament we insist that the caretaker cabinet also be a strong one, Podkrepa President Konstantin Trenchev said at a press conference today. He expressed disagreement with the caretaker cabinet bill moved by the outgoing cabinet which provides for restricting the powers of caretaker cabinets.

Yesterday KNSB leader Prof. Krustyu Petkov said that if elections are held the confederation would support a centre-oriented formation.

At a press conference today Konstantin Trenchev declined to comment, which political formation Podkrepa would support if early elections are held. Dr. Trenchev was one of the founders of the SDS [Union of Democratic Forces]. He supported the coalition in the October 1991 parliamentary elections. But later on he came into conflict with Prime Minister Filip Dimitrov, who is also the leader of the SDS. Then Dr. Trenchev accused Prime Minister Dimitrov of conducting a confrontation and antitrade union policy, and today he criticized the outgoing cabinet for not working hard enough for Bulgaria's association with the European Community. Dr. Trenchev said that Podkrepa had documents proving this, but declined to show them, saying that they were not translated into Bulgarian.

At today's press conference Podkrepa political adviser Boyko Proychev prognosticated the emergence of new campaign alliances. According to him, "the hardliners in the BSP [Bulgarian Socialist Party] and in the SDS wish elections to be held as soon as possible." But we are convinced that there will be enough time for a reshuffle of the political forces and that a new campaign political alliance may emerge in the next few months, he said. Mr. Proychev told BTA that this would not be a coalition, but rather a campaign formation with the participation of outstanding personalities whose platform would enjoy the support of different organizations—trade union amalgamations, employers' unions and circles of the Orthodox Church.

According to observers here, the contradictions, which emerged between the president and former leader of the SDS, Dr. Zhelev, and the present leadership of the coalition may result in the formation of a new political force, close to the president.

Mr. Proychev declined to connect a future political formation with the presidential institution. But yesterday and today, leaders of the two major trade union amalgamations reacted strongly against last week's rally of the SDS which demanded the resignation of Dr. Zhelev and burnt the portrait of the president. The KNSB declared itself for holding a counter rally in support of Dr. Zhelev. Today Dr. Trenchev said that the "miners in Podkrepa throughout the country are ready to come to Sofia in order to defend their president."

Podkrepa does not conceal its connections with the Union for Private Economic Enterprise (of private businessmen) led by Valentin Mollov, about whom the daily of the SDS DEMOKRATSIYA has repeatedly written that he is connected with the secret services and supported by "dirty money."

Austerity Measures To Fight Inflation Urged

AU1712110292 Sofia BTA in English 1032 GMT 17 Dec 92

["Only Austerity Measures Can Curb Inflation, Prof. Vulchev Says"—BTA headline]

[Text] Sofia, December 17 (BTA)—Well-considered austerity measures should be taken to curb inflation, Prof. Todor Vulchev, governor of the Bulgarian National Bank, says in an interview published in today's TRUD. He comments on the major aspects of the bank's future policies. According to Prof. Vulchev, there is the immediate danger of inflation rapidly spiralling up. The 1992

inflation rate is expected to be 80 percent. Indeed, this is not the rate of 150-250 percent predicted by some foreign and Bulgarian economists, but it is not the inflation rate of 45-60 percent projected in the letter of intent to the International Monetary Fund either. We should admit we failed to achieve lasting results in bringing inflation under control compared with the second half of 1991, Prof. Vulchev notes.

He expresses his concern about inflation in 1993. The reason is that the factors influencing inflation are not eliminated: The 1993 national budget has not been passed yet and it is unclear when it will be, the delay of privatization, the political instability and the unfavourable external conditions will also push up inflation. The central bank's anti-inflation measures will yield the desired result only if accompanied by actions of the exchequer, the government, by changes in the sphere of production and social and political life, Prof. Vulchev says. The monetary instruments applied by the Bulgarian national banks cannot be expected to work miracles, he stresses.

In Prof. Vulchev's view the major obstacle to the bank's monetary policy is the delay of the structural reform, to this he adds the rapidly declining share of the budget in the gross national product, the unsettled problem of enterprises' bad debts to the banks, the moratorium on the country's foreign debt. It is an illusion to think that the country is entering upon some final phase of financial stabilization, given there are no signs of improvement in its real economy, he underlines.

At the moment Bulgaria's foreign exchange reserves total about 1,000 million dollars, the growth of its gold reserves is about one ton a year, Prof. Vulchev says. In his opinion, the growth of reserves is desirable though not absolutely necessary. The lev is still depreciated against the dollar but not so much as a year ago, the banker says. He expects that the increase of domestic prices will be accompanied by certain changes in currency exchange rates but not in the same measure as prices.

Though some politicians see in Prof. Vulchev the figure who can go on with the economic reform as prime minister, he does not intend to enter politics. I have never thought about such a role, I am not prepared for it and I'd better not go into politics, he says in conclusion.

Electricity Prices for Industrial Users Raised

AU1712192492 Sofia BTA in English 1810 GMT 17 Dec 92

[Text] Sofia, December 17 (BTA)—The outgoing cabinet today raised the prices of electricity and heat power.

As of next January industrial users will pay 10-percent and households 20-percent more for electricity. No limits are set for consumers, although this option was discussed.

The price of heat power for industrial users rises by 10 percent (in the state-run sector by 20 percent) and for domestic users by 30 percent.

As of January 1, 1993, electricity will cost 0.44 leva per kilowatt-hour (day tariff) and 0.23 leva per kilowatt-hour (night tariff) ($1 is exchanged for 25 leva, according to current rates). Central heating will cost 150 leva per Gigacalorie.

On several occasions lately the cabinet adjourned a decision on electricity and heat power prices. With the National Electricity Company (NEC) facing financial difficulties the rise cannot be avoided any longer.

The prices of a number of goods whose production is power-consuming are expected to go up following the decision.

The raising of electricity and heat power prices runs parallel to social security measures moved by the Ministry of Social Affairs. Half of NEC's additional proceeds following the price rise will be spent on compensations, the chairman of the Power Engineering Committee Lyulin Radulov told reporters. The compensations are seen as extremely low (pensioners will get 30 leva a month and jobless persons 36 leva a month). Persons receiving up to 550 leva a month will be eligible for social benefits. The minimum monthly wage is raised to 890 leva as of January 1, 1993.

According to Mr. Radulov, the new prices would not settle the NEC problems but are at least a step towards realistic electricity prices.

Court Orders Inquiry Into Abuse of Office Charges

AU1712202992 Sofia BTA in English 1951 GMT 17 Dec 92

["Today"—BTA lead]

[Excerpt] Sofia, December 17 (BTA)—The case on the death camps in Lovech and Skravena, set up by the communist regime, will enter the Supreme Court's Military Division on Monday [21 December] at the latest, the division's chairman, Colonel Nikolay Chiripov, told the press. The Armed Forces' Prosecutor's Office has prepared the indictment.

A case against former Interior Minister and ex-Vice President General Atanas Semerdzhiev and General Nanka Serkedzhieva has been filed with the Supreme Court's Military Division. They have been charged with abuse of office consisting in the destruction of classified documents of the Interior Ministry's archives. The case has not entered court because there are not enough jurors with a generalship. The problem will solved by the Judiciary System Act, which passed on first reading in parliament.

Parliament today gave a permission to the government to negotiate with the World Bank and sign a contract for a 93-million-dollar loan to meet the needs of power engineering.

Parliament decided that a commission of inquiry should be set up to go into the incident in the village of Ilindentsi near Sofia and the police actions involved in it. The village people picketed the road yesterday to prevent workers from going to the marble quarries near the village. They demand that a marble-cutting company be set up, independent of the existing company in the neighbouring town, in order to create jobs. The police stepped in, clubbing several people who were shown in the central newscasts last night. A human chain again blocked the road this morning to stop buses taking workers to the marble quarries, BTA's correspondent reported from Blagoevgrad. Today the village was visited by representatives of the Industry Ministry and by MP's, assigned to hold an inquiry into yesterday's incident. Protesters and the regional directorate of the interior in Blagoevgrad signed a protocol today, according to which the local population should take no actions, which break the peace and provoke police intervention. The director of the regional directorate said the police used only lawful means to restore order yesterday. Parliament continued the second-reading debates on amendments to the Penal Code.

Today's meeting of the Parliamentary Foreign Policy Committee took no decision on a proposal by Virzhiniya Velcheva MP of the Union of Democratic Forces concerning the introduction of entry visas for Russian and Romanian citizens. The committee heard reports by the Ministry of Foreign Affairs and of the Interior. The Foreign Policy Committee decided not to hurry the decision, Asparukh Panov told BTA. The MP's of the Socialist (ex-Communist) Party believe that a decision on the introduction of entry visas for any country should be taken by the executive instead of by parliament. Virzhiniya Velcheva argued that mostly criminal groups from Russia and Romania will take advantage of the visa-free entry. She holds information on the systematic blackmailing of Bulgarian citizens.

The cabinet today approved the appropriation of funds in the 1993 national budget bill for the Open Society Fund. The cabinet will grant the foundation an additional 3.5 million leva from the budget.

A 728-million-leva credit guaranteed by the government will be extended to the National Electricity Company (NEC) for the completion of Unit Six of the Kozloduy Nuclear Power Plant and of the first phase of the Chaira Pumped-Storage Power Station, the press learned this evening from Nikola Karadimov, minister of territorial development, housing policy and construction. The Council of Ministers decided that the credit will be allocated from the State Reconstruction and Development Fund. The government guarantees the credit with the company's immovable property, including property used under employee help schemes. The Council of Ministers guarantees the credit on condition that the NEC will submit for approval the annual investment programs of the Power Engineering Committee, electricity and coal export and import, and the sector's payroll. Under one of the conditions, the NEC and the committee worked out a system for raising energy costs, which was approved today, Mr. Karadimov said.

The Sofia City Prosecutor's Office today filed the documents on the investigative proceedings launched yesterday against unknown persons who tried to poison Major General Brigo Asparukhov, director of the National Investigation Service, and Valentin Stoyanov, spokesman for the president. Sofia City Prosecutor Nestor Nestorov will supervise the case. The investigators will have to find the facts about the movement of the two victims during the days when they probably were given the poison that injured their health, Mr. Nestorov said. The investigation can last two months, after which the Prosecutor General's Office can extend it up to four or six months at the most.

One of the sponsors of a motion for the dismissal of Bulgarian Television Chief Asen Agov set forth his motives before the parliamentary Radio and Television Committee. According to him, television programs create social tensions. The committee's chairman, Mikhail Nedelchev, proposed that a working group go into the facts listed by the 23 sponsors, representing the three parliamentary groups. Nedelchev's proposal was turned down. It was decided that each member of the committee should study the facts until the next meeting, when Mr. Agov's dismissal will be discussed.

The Union for Private Economic Enterprise (UPEE), the first organization of private businessmen in this country set up after the ouster of communist leader Todor Zhivkov, marked its third anniversary. In early January the union will establish a new pension fund, working with members of the public, UPEE President Valentin Mollov said today. [passage omitted]

Expert Contemplates U.S. Reaction to Bugging

AU1812090192 Prague LIDOVE NOVINY in Czech 15 Dec 92 p 3

[Interview with Professor Jiri Valenta, director of the Institute for International Relations, by a "woll"-signed reporter; place and date not given: in the "A Question For" column]

[Text] [LIDOVE NOVINY] Could the affair surrounding the discovery of bugging equipment at the U.S. Consulate in Bratislava jeopardize in any way the recognition of the Czech Republic and the Slovak Republic by the United States?

[Valenta] One can only speculate about this because the current U.S. administration will be replaced on 20 January and President Bush is looking at some things from the perspective of someone who is leaving. Personally, I do not assume that this affair could lead to such dramatic circumstances; however, it is a matter that in a way casts doubt on both our own and the Slovak alliance with the United States. The new President will surely ask himself whether this phenomenon is symptomatic of the policy of the new Slovak Republic, which indicates that, unlike the Czech Republic, it does not want to be a member of Western security structures but wants to remain neutral, like, for example, the Ukraine. Slovakia should try to correct its image of a country that supported fascist Germany during World War II and this event will in no way help to improve its reputation.

Strasky Addresses Final Session of Parliament

LD1712204192 Prague CTK in English 1606 GMT 17 Dec 92

[Text] Prague, Dec 17 (CTK)—Czechoslovak Premier Jan Strasky gave the keynote address today at the last session of the federal Czechoslovak parliament, remarking that at a time when everyone in Europe was seeking their own identity before joining European integration, Czechoslovakia had not succeeded in avoiding the forces of separatism.

We are paying for the fact that in this area, the search by people and regions for this identity did not have its natural growing space for at least 40 years, said Strasky. He said their had always been problems with the existence of Slovakia within a greater Czechoslovak framework, but added that post-November 1989 developments had laid bare this incompatibility.

Strasky said good will and time spent on the part of the federal parliament and government had failed to stem long-standing separatist tendencies and invalidated efforts to find a workable federal structure to retain a common state of Czechs and Slovaks. He characterized calls for a referendum on the issue as a symptom of weakness and an attempt to shirk responsibility, which made the alternative of a civilised divorce all the more attractive and apparent.

He stressed, however, that the federal assembly and government had done much to to bring about a peaceful divorce. Strasky thanked his colleagues in the Czechoslovak Federation's last government as well as ambassadors from the foreign diplomatic corps, in attendance at the session, for their support and understanding throughout this complex process.

He expressed the conviction that this positive attitude would go a long way towards eliminating the economic and political fallout from the country's division.

Strasky finally called on citizens of the soon-to-vanish Czechoslovakia to cast aside reservations and doubts. The Czech State and the Slovak State need, demand and are worthy of your support from the very beginning.

Parliament Adopts Resolution on Ending CSFR

LD1712205392 Prague CTK in English 1613 GMT 17 Dec 92

[Text] Prague, Dec 17 (CTK)—By passing the law on the end of the Czechoslovak Federation and the constitutional law on federal property division, the Federal Assembly (parliament) has ensured political stability and the legitimacy of the two successor states to Czechoslovakia—the Czech and Slovak Republics, says a resolution adopted today by the federal parliament at its last session.

The preservation of constitutionality and parliamentary democracy demands from both the Czech and the Slovak Republics to observe to the full extent these constitutional laws. Otherwise the results of the 1992 parliamentary election would be depreciated, which would not only question the legitimacy of the mandates of deputies to the Czech and Slovak parliaments, but also weaken the position of both successor states on the international scene, says the resolution.

Chairman of the federal parliament Michal Kovac emphasised in his address that the Czechoslovak Federation ends in a constitutional, democratic and peaceful way thanks to the understanding reached between the two victorious parties—the Civic Democratic Party (ODS) and the Movement for a Democratic Slovakia (HZDS)—and mainly to their leaders, Vaclav Klaus, Czech premier and Vladimir Meciar, Slovak premier. He said that the Czech and Slovak Republics are not being built on the wreckage of the Czechoslovak State. Over a long period, the two republics have been maturing separately within the Federation. the democratic process started in the last weeks of 1989 has culminated in their establishment, Kovac said.

Roman Zelenay (HZDS), chairman of the federal parliament House of Nations, stressed the need for regular meetings between the Czech and Slovak political representatives after the end of Czechoslovakia. We are very close to each other. We have eliminated points of friction. Maybe there will be some problems because we are

neigbours and our interests will not always be similar. Politicians are the ones who are expected to eliminate any friction, said Zelenay.

Czech Council Adopts Czech-Slovak Friendship Treaty

LD1712210892 Prague CTK in English 1647 GMT 17 Dec 92

[Text] Prague, Dec 17 (CTK)—The Czech National Council (parliament) today approved a treaty of good neighbourliness, friendly relations and cooperation between the Czech and Slovak Republics, which concludes the whole package of agreements signed between the two republics.

The parliament also approved an agreement on the prevention of dual taxation between the Czech and Slovak Republics signed by Slovak Premier Vladimir Meciar and Czech Deputy Premier Ivan Kocarnik on November 23 in Bratislava.

In other business, legislators approved a regulation substantially increasing judges' salaries designed to prevent them from leaving the bench.

Czech Minister of Justice Jiri Novak said the Czech judiciary is threatened with collapse as a result of the insufficient number of judges. He said that the Czech Republic is currently short of 700 judges. The average monthly salary of judges in district courts is currently 7843 crowns (about 280 USD [U.S. dollars]), and in regional courts is 8931 crowns (about 318 USD).

The agreement between the two republics, approved at the same time by parliament, on the method of handling relationships arising from the division of the Czechoslovak Army will make possible the function of two independent state armies. Czech Minister of Foreign Affairs Josef Zieleniec emphasised that the agreement takes into consideration the disproportionate basing of the Army in the past and is the basis for an equitable settlement of the Czechoslovak Army's property.

Parliament also passed a law today, which establishes and defines the mission, authority and organisation of the Czech National Bank (CNB) as the Central Bank of the Czech Republic as of January 1, 1993.

The Czech National Bank will arise from the division of the State Bank of Czechoslovakia (SBCS). The legislative basis of its operations comes from the law on the Central Bank of the Czechoslovak Federation and makes possible the subsequent transfer of all operations and commensurate rights and obligations from the SBCS to the CNB.

The main goal of the CNB is to ensure the stability of the Czech currency. To this end the bank will determine monetary policy, issue banknotes and coins, oversee bank activities and take care of the secure functioning and purposeful development of the banking system in the Czech Republic.

The highest authority within the CNB will be a seven-member bank council. A governor named by the president of the republic will ostensibly negotiate in the name of the bank.

The law also defines the monetary unit of the republic as the Czech crown (KC), which is divided into 100 hellers. The law pays due attention to the setup of central banks in advanced European states, as well as to the suggestion of the European system of central banks and the European Central Bank.

Federal Tripartite Council Ends Activities

AU1712143492 Prague CTK in English 1623 GMT 15 Dec 92

[Text] Prague, Dec 15 (CTK) — The Czechoslovak Council of Economic and Social Agreement ended its activities today at its last session presided over by Czechoslovak Premier Jan Strasky.

The council set up by representatives of the Federal Government, trade unions and employers on October 3, 1990, aimed at their close cooperation in social issues in order to preserve social tranquility in Czechoslovakia in the process of its transformation to a market economy.

Strasky thanked social partners for their efforts which have helped to maintain social peace, mainly at the end of 1992.

At a press conference after the meeting representatives of trade unions and employers said that Czech and Slovak Republics' tripartite councils and the governments ought to take over obligations ensuing from the 1992 Czechoslovak General Agreement and agree on ways of its implementation.

All three partners agreed that most of the goals laid down in the 1992 general agreement have been fulfilled.

Law on Czech State Symbols Keeps CSFR Flag

LD1712125892 Prague CSTK in English 1022 GMT 17 Dec 92

[Text] Prague, Dec 17 (CTK)—The Czech parliament today approved a law on the state symbols of the Czech Republic stating that the flag of the soon-to-be independent Czech Republic will be identical with the existing flag of the Czechoslovak Federation. The law, also specifying the state emblem, anthem, colours, seal and the flag of the president of the Republic, was supported by 151 deputies of the 200-seat parliament. Nobody voted against it. The law was adopted without debate.

The decision for the Czech Republic to preserve the flag of the Czechoslovak Federation—red and white stripes and a blue wedge—runs counter to the Federal Assembly law on ending the Federation, which was approved November 25.

Under the law, providing for Czechoslovakia's division into independent Czech and Slovak Republics as of

January 1, 1993, none of the two successor republics was allowed to use Czechoslovakia's state symbols after the federation's termination.

However, most politicians and lawyers think that this provision is not binding for independent Czech and Slovak Republics.

By approving the law, the parliament declined to abide by the Czech Government's suggestions recommending that the flag of the Czech Republic be made slightly different from that of Czechoslovakia by changing the colour shades and length of the blue wedge.

Here we are on the ground of the Czech parliament and it is our sovereign right to decide as we decide, Deputy Jirina Pavlikova, chairman of the Czech parliamentary Heraldic Commission, said. Pavlikova stated already in mid-November that the reason for adopting the Czechoslovak flag is not just the historical connection between the Czechoslovak and Czech states, but that the flag will be free after January 1 and that Slovakia is not interested in it. Slovakia decided about its flag in its constitution adopted already on September 1.

Under the law, the large and small emblems of the Czech Republic will remain practically unchanged. The large emblem is a square shield with a quarterly division bearing in its first and fourth red fields a double-tailed Czech lion with a gold crown and gold armour. The second, blue field of the emblem bears a silver-red chequered Moravian eagle with a gold crown and gold armour, and the third field a black Silesian eagle with a gold crown and gold armour.

The small emblem will be a red shield bearing a silver double-tailed lion, the same as that in the first and fourth fields of the large state emblem.

The Czech Republic's state colours will be white, red and blue arranged in this order.

The state anthem will be the Czech part of the current Czechoslovak state anthem, that is the first strophe of a song composed by Frantisek Skroup (1801-62). Words were written by dramatist Josef Kajetan Tyl (1808-56) and the song became a manifestation of Czech patriotism at the time of the national restoration movement in the mid-19th century.

The state seal will be formed by the large state emblem with lime-tree twigs by its sides. The seal bears the inscription Ceska Republika (Czech Republic).

The banner of the president of the Republic is based on the flag of the Czechoslovak president. It will be white with white, red and blue flames on its sides and the large state emblem of the Czech Republic in the middle. At the bottom of the flag will be a red ribbon bearing the Czech words pravda vitezi (truth prevails).

Klaus 'Disappointed' by EC Terms for Admission

AU1712143292 Prague CTK in English 1926 GMT 15 Dec 92

[Text] Vienna, Dec 15 (CTK correspondent) — Czech Premier Vaclav Klaus told journalists here today that he is disappointed by the planned terms of the Czech Republic's admission to the European Community (EC). At a press conference after his talks with Austrian Chancellor Franz Vranitzky and Vice Chancellor Erhard Busek on mutual cooperation, Klaus said the year 2002 which is fixed as the date for the Czech Republic's admission as an EC member is a disappointment for us because we are ready to enter the EC earlier. Klaus said that from the political viewpoint, the Czech Republic is as democratic as other EC member countries and that it can be compared with many European countries as far as privatization is concerned. I see no reasons for setting such a late date, Klaus said.

Vranitzky told journalists that under an agreement reached with Klaus Austria will send to the Czech Republic an expert team to examine whether the Temelin nuclear power plant in south Bohemia can be used for other purposes.

On the envisaged division of Czechoslovakia into independent Czech and Slovak Republics in January 1993, Klaus said that practically all important agreements with the Slovak Republic have been completed. Relations between the two republics are to be good and close, he said.

On cooperation within the Visegrad Troika regional grouping, Klaus said that preparations for a free trade zone which is to be established between its member countries (Czechoslovakia, Hungary, Poland) are going on too slowly. In the current situation the sides ought to declare their will to speed up the process, he said. However, Klaus added, talks with Hungary and Poland on lifting tariff barriers have not been so far successful. He said he hopes an agreement will be reached by the end of the year.

Referring to regional cooperation, Klaus said the relationship to the Visegrad Troika group is no more important for the Czech Republic than bilateral relations with other countries, including Austria.

Moravian National Party Loses Trust in Partner

AU1712152692 Prague LIDOVE NOVINY in Czech 12 Dec 92 p 3

[Report by "fsch": "Is Krycer Untrustworthy?"]

[Text] Brno— Jan Krycer, chairman of the Movement for Self-Governing Democracy-Society for Moravia and Silesia [HSD-SMS], wants to "ingratiate himself with the government coalition" and is an "untrustworthy partner," Ivan Drimal, chairman of the Moravian National Party [MNI], declared in Brno yesterday. The MNI intends to set right Krycer's political mistakes, which

dwell, above all, in his excessive readiness to come to a compromise, by means of "stepped up political initiative," Drimal said. The MNI has only a few hundred active members, one of whom, Jiri Bily, was elected to the Czech National Council on the HSD-SMS ticket.

Parties Agree To Condemn Anti-Hungarian Acts

AU1712152992 Bratislava SLOVENSKY DENNIK in Slovak 12 Dec 92 p 2

["Meeting Between the Christian Democratic Movement and the Hungarian Christian Democratic Movement"—TA SR headline]

[Text] Bratislava— The resolve, in the spirit of Christian principles, to do everything within their powers for a peaceful and friendly coexistence between Slovaks and Hungarians in the newly emerging Slovak Republic was expressed by representatives of the Christian Democratic Movement [KDH] and the Hungarian Christian Democratic Movement [MKDH] in Bratislava yesterday.

The two delegations, which were headed by [KDH Chairman] Jan Carnogursky and [MKDH Chairman] Vojtech Bugar, spoke out against the removal of signposts indicating Hungarian names of communities and against the ban on the use of Hungarian names of communities in Hungarian-language broadcasts on Slovak Television.

They also discussed current problems in Slovak-Hungarian relations both in Slovakia and at the interstate level. They agreed to initiate a meeting with the Christian Democratic People's Party of Hungary at the beginning of 1993. The meeting should take place in Slovakia.

Austria Limits Market Access for Czech Goods

AU1712143392 Prague CTK in English 2147 GMT 15 Dec 92

[Text] Vienna, Dec 15 (CTK correspondent) — The Czech delegation during its talks in Vienna today drew attention to problems stemming from Austria's protectionism, Czech Premier Vaclav Klaus told CTK after his meeting today with Austrian Foreign Minister Alois Mock.

Klaus said that due to the envisaged lifting of the import surcharge in the Czech Republic as of January 1, 1993, foreign exporters, including those from Austria, will have unilateral advantages. This might result in lower prices of imported goods by 10 per cent against domestic products. In this connection Klaus said he is disappointed by Austria's effort to limit access of Czech goods to its market and added that this applies to 44 commodities. He expressed satisfaction at the fact that the Czech delegation has managed to interest Chancellor Vranitzky in the issue and that talks on it will be conducted on a higher political level.

Mock told journalists that Austria is not going to work out a treaty on good neighborliness with the Czech Republic. According to Mock, Austria will recognize both successor states to Czechoslovakia on January 1, 1993. He said a decision on the issue will be made by the Austrian Government soon.

In the evening the Czech delegation led by Klaus ended its one-day working visit to Austria and left for Prague.

Minister Cites Drop in Steel Production

AU1712143192 Prague CTK in English 2153 GMT 14 Dec 92

[Text] Prague, Dec 14 (CTK) — The upper limit of the Czech Republic's annual steel production by the year 2000 could be 5.8 million tonnes, according to Czech Minister of Industry and Trade Vladimir Dlouhy. He told a press conference in the north Moravian industrial city of Ostrava today that while the steel output in the Czech Republic in 1989 was ten million tonnes, this year's production is expected to be about seven million tonnes.

Dlouhy said that annual steel production by 2000 and in the following years could be reduced to about 3.5 million tonnes, and did not rule out possible steel imports.

He added that the steel industry has been up to now profiting from certain systemic advantages, for example, relatively low prices of input, especially raw materials. However, these advantages are expected to wane after some time, making Czech steel unable to compete both at foreign and home markets.

He voiced discontent with the degree of privatization of the steel industry, saying that the state's 70-percent share was unnecessarily high. Until the Czech steel industry is privatized, the state will press for a more pronounced restructuring, for eliminating unnecessary expenditures on administration, and for reducing output, Dlouhy added.

Defense Minister, French Counterpart Hold Talks

LD1712144092 Budapest MTI in English 1341 GMT 17 Dec 92

[Text] Budapest, December 17 (MTI)—Hungary is, and will likely remain, the most stable country in east central Europe, Hungarian defence minister quoted his French counterpart, Pierre Joxe, as saying today.

Joxe is paying a one-day visit to Hungary.

After their fourth meeting this year, the two ministers gave a press conference in the Hungarian Ministry of Defence on Thursday [17 December].

Asked whether French arms sales figured on the agenda of talks, Fur said that, besides willingness, Hungary would need money for the purpose but it was short of funds. In the talks, the Hungarian minister raised the issue of cooperation between the Visegrad Three (Czech and Slovakia, Hungary, and Poland) and the West European Union. Joxe emphasized that the chances were available but their realization would take a longer period of time. The ministers discussed the situation of Central Europe, including the crisis in Yugoslavia, but made no comment for the press.

Government Approves Visegrad Three Trade Agreement

LD1712181092 Budapest Kossuth Radio Network in Hungarian 1225 GMT 17 Dec 92

[Speech by Hungarian Prime Minister Dr. Jozsef Antall at the National Assembly session in Budapest—live]

[Excerpts] Mr. Speaker, Esteemed House: Before the lunch break I would like to ask whether you would allow a few minutes in which I could inform you about the briefing connected with the Hungarian-Polish-Czechoslovak free trade agreement, since it has now been settled. [passage omitted]

The text of the agreement has been finalized. The government has discussed it, adopted it, and has entrusted the minister of international economic relations to sign it on behalf of the prime minister, pending ratification. [passage omitted]

The justifications are these: our geographical situation, our historical traditions, and the similarities of our economic and political development. A large number of small entrepreneurs in all three countries have joined in foreign trade activity. The markets of the partner countries can be approached with small expenditures and little risk. The effectiveness of the free trade agreement extends to all industrial and agricultural products.

The trade barriers relating to industrial products have to be abolished gradually over eight years, by 1 January 2001 at the latest. In the case of agricultural products there will be a five-year transition period with a gradual dismantling of duties.

The association agreement with the EC, which came into effect on 1 March 1992 and which applies to all three countries, created a competition advantage for several products coming from the EC countries and has meant a disadvantage for the members of the Visegrad group. The agreement that has now been concluded does away with this, which is very important for example for the Hungarian pharmaceutical industry, since Hungary's export of medicines to Poland alone in 1991 amounted to more than $40 million.

At the same time, naturally, it is a question of an entire group of goods where the agreement is based on mutual interests and advantages. In any case, I would like to add that in principle, without this free trade agreement our triple association with the EC has meant and would mean a disadvantage in trade with one another, which in any case affects the basic interest of Hungarian entrepreneurs and of the Hungarian economic life in general. [passage omitted]

I would like to add that this is part of a long process of negotiation. And in every respect, including even the minority issue, the advantages of the Hungarian minority and everything else, whether we look at it from the viewpoint of Polish-Hungarian bilateral discussions or from the Czech and Slovak side, it is at all events in our interest. And in this respect it would by no means be expedient to link it in any way with the issue of the Gabcikovo powerplant. The government has discussed this with the greatest of care and has arrived at this understanding.

It is necessary that there should be a certain transitional period between the agreement coming into effect and its practical implementation. Therefore, the agreement that will be signed on 21 December 1992 should come into effect three months [as heard] later.

I wanted to make this short announcement now by way of briefing. Naturally, the detailed information on all of this—the details of the related material—will be received by the Foreign Affairs Committee, the Economic Committee, and the other committees concerned.

From the Polish side as well they have shown extraordinary activity, which was indicated by the many contacts initiated by Madame Premier Suchocka, and it is evident that Poland has placed great emphasis on this [the signing] taking place in Krakow. Together with the political discussions, this will be a step with an important economic significance. I think that as a base, this is a fundamentally important step in our region, both immediately and in the long term, from the viewpoint of the three countries and the Visgegrad group, and it is particularly worth studying its international legal and constitutional legal aspects in the Czech and Slovak relation.

Thank you for listening to me. [passage omitted]

Parliament Approves Central Budget for 1993

LD1712161692 Budapest MTI in English 1437 GMT 17 Dec 92

[All figures as received]

[Text] Budapest, December 17 (MTI)—The Hungarian Parliament on Thursday [17 December] approved the country's central budget for 1993 with 178 votes in favour, 127 against and one abstention.

The budget law envisages a deficit of over HUF [Hungarian forints] 185 billion forints (exactly: HUF 185,366.7 million). The expenditure is expected to amount to HUF 1,275,828.9 million, and the revenue to HUF 1,090,462.2 million.

Goncz's Proposal on Media Chiefs Rejected

LD1712162192 Budapest MTI in English 1531 GMT 17 Dec 92

[Text] Budapest, December 17 (MTI)—The Hungarian parliament on Thursday [17 December] rejected President Arpad Goncz's motion for amending law 57/1990, regulating the order of appointment of the chiefs of the public service media (Hungarian news agency MTI, Hungarian Radio, Hungarian Television). The motion was rejected with 105 votes for and 163 against.

Goncz proposed that he would renounce his right to appoint the media chiefs and ask the prime minister to renounce his right to make proposals for them. The president proposed that the media chiefs should be elected either by a two-thirds majority of the parliament's Cultural Committee, or by a board composed in part of members of the parliamentary parties and in part of renowned, independent personalities from Hungary's cultural life.

Leaving the assembly hall, Goncz told journalists he would continue to make every possible effort so that the public service media remain unbiased.

Well-Known Politicians Losing Popularity

AU1712143792 Budapest MTI in English 1219 GMT 17 Dec 92

[Text] Budapest, 17 December (MTI)—All widely-known politicians, mainly on the government's side, have lost in popularity. Were the elections to be held now, the opposition parties—the Federation of Young Democrats [FIDESZ], the Hungarian Socialist Party [MSZP], and the Alliance of Free Democrats [SZDSZ]—would emerge as winners, and the ruling Hungarian Democratic Forum [MDF] receive 8 percent of the vote, shows a survey of Median Opinion Polls and Market Research Ltd., published by the world economic weekly HETI VILAGGAZDASAG on Thursday [17 December].

According to the demonstrative survey conducted between December 4 and 9 among 1,200 persons, the country's most popular politician is the successful private entrepreneur, Janos Palotas, who gained a seat in parliament in 1990 with the MDF's support. After repeated clashes with his fellows in the faction of the largest party of the government coalition on account of his independent thinking, he withdrew from the MDF and joined the group of independents. In the meantime, he founded the National Organization of Entrepreneurs, and not long ago the Republic Party. He already topped the popularity list in the spring of 1991.

Second on the list comes Viktor Orban, parliamentary faction leader of the FIDESZ. The highly popular opposition party will hold its national meeting this weekend and, according to preliminary news, elect Orban as party president. Despite his high placing, he lost 6 percent in popularity since the latest survey in September.

President of the Republic Arpad Goncz, who headed the poll last year, lost 4 percent and fell back to third place.

The fourth place is taken by MSZP chairman Gyula Horn, with 75 percent in the same way as President Goncz, and he lost only 1 percent since September.

The fifth place is held by Ivan Peto who has become chairman of the strongest opposition party AFD since the September survey. Peto had been a stable 8th place winner for a long time. His popularity rate has not changed, only the others' has worsened.

The list comprising 20 politicians is closed by Istvan Csurka, a senior official of the MDF, with 16 percent. The most popular member of the government is the 11th place winner Laszlo Surjan, minister of social affairs and chairman of the Christian Democratic People's Party [KDNP]. He lost 7 percent of his September rate of 44 percent. Defence Minister Lajos Fur, acting chairman of the MDF, is in 12th place with 44 percent, recording a loss of 14 percent.

The Prime Minister and MDF Chairman Jozsef Antall occupies the 14th place. He has lost 12 percent since September.

If the elections took place on Sunday, 36 percent of respondents said they would vote for the FIDESZ, 14 percent for the MSZP, and 11 percent for the SZDSZ. The parties of the government coalition (Hungarian Democratic Forum, Independent Smallholders' Party, Christian Democratic People's Party) would receive 8, 7, and 5 percent respectively. The newly formed Republic Party would get 3 percent of the vote.

Private Fund To Assist Enterprise Development

WS1512132892 Warsaw SERWIS INFORMACYJNY in Polish 1350 GMT 8 Dec 92

["Report on News Conference After Lech Walesa's Meeting With the Representatives of the Polish-American Enterprise Fund"—SERWIS INFORMACYJNY headline]

[Text] After the 8 December meeting with President Lech Walesa, an announcement was made on the details of the new private fund in the amount of $150 million. The fund will be primarily used to assist small and medium enterprises in Poland. However, the financial resources will continue to be difficult to obtain because loan applications will be very carefully [words indistinct] three big investors working in the Polish market: the Polish-American Enterprise Fund, the European Bank for Reconstruction and Development, and the Austrian Credit Bank.

Lech Walesa, president of the Republic of Poland, met with the representatives of the Polish-American Enterprise Fund. The Fund was created two years ago by President Bush. Since that time, Polish companies have used $120 million of its money.

Poland's Interest in Western Aid

Andrzej Olechowski, minister in the president's office, told journalists that Walesa assured his guests about our interest and openness to Western help.

Private Sector Helpful in Overcoming the Crisis

The representatives of the Polish-American Enterprise Fund declared that the new U.S. Administration would not stop supporting the Fund and Poland. According to them, it is necessary to develop the private sector in Poland because this sector should be the most significant element in helping to lift Poland of the crisis.

Founding of New Private Fund

After today's meeting with Walesa, details were released about a new private fund with a capital of $150 million. The fund will be used to assist [words indistinct] enterprises in Poland. Access to the fund will continue, however, to be difficult to obtain because loan applications will be examined very carefully. The fund will be financed by the following three big investors on the Polish market: the Polish-American Enterprise Fund, the European Bank for Reconstruction and Development, and the Austrian Credit Bank.

Visa Free Traffic Accord Signed With Slovenia

LD1612053792 Warsaw PAP in English 2341 GMT 15 Dec 02

[Text] Vienna, Wroclaw, Dec. 15—An agreement was concluded on Tuesday [15 December] between Poland and Slovenia on visa free traffic between the two countries. Diplomatic notes to this effect were signed by Foreign Minister Krzystof Skubiszewski and his Slovenian counterpart Dmitri Rupel. The ceremony took place in the Polish Embassy in Vienna. Slovenia has not its mission in Poland yet.

Under the agreement, no visa is required from Polish and Slovenian citizens wishing to stay in Poland and Slovenia, respectively, for the period of up to 90 days.

Meanwhile, the Polish Ministry of Internal Affairs prepared a draft programme of registration of invitations provided by Polish citizens to citizens of Bulgaria, Romania and all republics of the former Soviet Union except Lithuania.

While inviting a citizen of any of the above states, a Polish citizen will have to register the invitation with the ministry, pay registration duties and sign an obligation that he or she would cover all the expenses connected with possible medical treatment or deportation of his/her guest.

"This year alone, some 10 million citizens from the former Soviet Union arrived in Poland through its eastern border," Deputy Interior Minister Wlodzimierz Blajerski told a press conference in Wroclaw.

Parliament Discusses Enterprises, Banks Restructuring Bill

LD1812085992 Warsaw PAP in English 2338 GMT 17 Dec 92

[Text] Warsaw, Dec. 17—The Polish Sejm (lower house) on Thursday [17 December] started a debate on the draft law on the financial restructuring of enterprises and banks, designed to reschedule their debts.

Earlier in the day the chamber examined the report by Industry Minister Waclaw Niewiarowski on the strike situation in the Silesian southern region. The Sejm also voted to adjourn the debate on the abortion law and the proposal to hold a referendum on that matter. The debate on the draft law on wages in the public sector was also postponed.

Meanwhile, the Senate adopted unreservedly the amendments to the law on insurances, passed by the Sejm on December 9.

However, the upper house postponed the vote on the bill on the value-added tax (VAT) till Friday, in order to gain extra time for a careful examination of the document in senate committee. The crucial point is whether to agree with the stand of the lower house and fix VAT for energy and gas at 7 per cent, or to support the government demanding a 22 per cent VAT for these items.

In another development, the Senate Committee for Emigration and Polish Diaspora found it impossible to

accept a mass return of Polish emigrees and their descendants from Kazakhstan, on the grounds that Poland's possibilities are limited by her economic difficulties.

The House of Parliament was picketed seven times on Friday, an unprecedented development probably in all its post-war history. The pickets were mounted by pro- and anti-abortion campaigners, the Trade Union of Policemen and Civil Servants of the Internal Affairs Ministry, the Polish Teachers Union (ZNP) and the Health Workers Union.

Both houses will continue their meetings on Friday.

Democratic Union's Frasyniuk Interviewed

PM1412105392 Wroclaw GAZETA ROBOTNICZA in Polish 27 Nov 92 pp 1, 8-9

[Interview with Wladyslaw Frasyniuk, Democratic Union deputy chairman, by correspondent Waclaw Sondej; place and date not given]

[Text] [Sondej] Has your parish priest had a talk with you yet?

[Frasyniuk] I do not know if it was the parish priest, but even before the interview I gave for GAZETA WYBORCZA I had a visit from a priest from my parish, who wanted to know why he never saw me in church. I said that I did not attend meetings at which I would not be able to have my voice heard. I often hear political texts being read out in church, and I am very much against that. During sermons priests often castigate my friends by name, and I cannot say anything in their defense. This is why I decided to stop attending church services. Many of my colleagues have begun attending children's masses celebrated by Father Orzechowski at his church in Bujwida Street, because there they can still find much religious joy and spontaneous contact with the Lord.

[Sondej] Do you expect us to print what you have just said? I must admit I would find it awkward....

[Frasyniuk] But this is not just an expression of my personal bitterness against the church. Professor Zielinski, who is the ombudsman, also stopped going to church because he was either pointed at by the parishioners or publicly castigated from the pulpit. Anyway, the whole thing is not such a terrible tragedy, you know. Everyone has the right to find his own place and identity in the changing circumstances in Poland today. The church is trying to find its place too. The only thing that I find surprising is the lack of sufficient distance from such temporal matters in an institution whose tradition goes back so many centuries.

[Sondej] But perhaps you are also somewhat overimpulsive in seeking your own place? After all, even Prof. Geremek chided you gently not long ago for the overemotional tone of your announcements....

[Frasyniuk] Prof. Geremek is my senior by some 20 years and has far more experience. As chairman of our parliamentary floor group he sees it as his duty to encourage me to tone down my statements, but let me point out to you that the 19 November declaration issued by the Democratic Union was closer in its tenor to my style than to that of the professor's. Safety valves must be released from time to time. My impression is that the Democratic Union decided to authorize the opening of its safety valves too late.

[Sondej] Are you attempting to wake up the Union?

[Frasyniuk] I simply want to point out that the Democratic Union is a party that represents the intelligentsia in its diverse milieus and these milieus will not easily forgive us if we keep resolutely silent on the question of a new legislative norm, which is clearly contrary to the spirit of reform. I agree with Andrzej Wielowieyski, that the antiabortion act should not be allowed to be passed in the interest of the unborn children. If approved, the act will bring tragic consequences for whole families, and especially for all the children around us, who even now lack a happy childhood.

[Sondej] Do you feel rejected by Prime Minister Suchocka?

[Frasyniuk] No, I do not. I believe that Madam Prime Minister simply lost her temper in the exchange with her party colleagues in Poznan. We must remember that she is in an extraordinarily difficult situation. After all, she did originally sign the Christian National Union's [ZChN] antiabortion bill, but she did it in the belief that during the course of further work on the whole project the bill would be considerably moderated. However, now we see that increasing pressure is being put on our parliamentarians to pass the most severe version of the bill. The whole debate on this subject could provoke a conflict within the ruling coalition—hence Madam Prime Minister's impulsive reaction. I understand her emotional attitude, but I nevertheless disagree with it, because I would expect to hear a declaration confirming that the government is not a proper forum for any kind of ideological debate whatsoever.

[Sondej] Your supporters criticize the Democratic Union for a generally apathetic stance. In this light, your recent statements seem to indicate a new attitude.

[Frasyniuk] It is true that we often avoid a confrontational stance and do not engage in polemics.

[Sondej] You appear to suggest that you are above such things as disputes. Is it worth cultivating such an image?

[Frasyniuk] If we, too, join other coalition members in their noisy quarrels, the coalition will fall apart in no time at all. During my meetings with our constituents I often hear doubts concerning the government's chances of carrying out a successful reform of state structures, especially the economic sector. In my opinion, such chances do exist, and that is precisely why we should

demonstrate an attitude of calm deliberation rather than engage in verbal sparring and react to every single provocation. If we behaved otherwise, we would only precipitate the vision of a presidential rule or an accelerated new election. This is not to say that we are afraid of a new election. We are not, but we believe that as a country we cannot afford it.

[Sondej] So are you, in effect, so idealistic that you are prepared to suffer brutal attacks against you with humility because you believe that justice will prevail in the end?

[Frasyniuk] No, I am not as idealistic as that. But all debates should be kept from descending below a certain level.

[Sondej] But the consequence of your position is that you remain silent more often than you speak out because you are forever dissatisfied with the level of your adversaries' arguments. Is this not true?

[Frasyniuk] Sometimes those who speak out most often and are the loudest end up by banishing themselves to the margins of the political stage. At the beginning of the present Sejm's term of office we all liked to listen to the addresses delivered by Janusz Korwin-Mikke. They were often witty and always removed from reality. But we soon tired of Korwin-Mikke and his ideas. I rather hope that the policies of certain other groups will eventually affect the public in the same way. My constituents often ask me to pass the message to Deputies Niesiolowski and Lopuszanski to stop assuming that they speak on behalf of the entire nation. I usually reply by asking my interlocutors to take their message to Niesiolowski and Lopuszanski themselves. In any case, the Democratic Union does not remain silent on the most crucial matters affecting our country.

[Sondej] Let us now focus on your career in the Union's Wroclaw structures. Ever since you stepped down from the post of Regional Board chairman, you became resolutely silent on all matters concerning that structure. Are you not tempted to break your "vow of silence?"

[Frasyniuk] No, I am not tempted at all. Especially since I no longer identify myself with that organization. One of the reasons is that the Regional Board demands that its members sign a declaration of allegiance, which is exactly the same as the communist authorities expected us to do for 10 years in the past regime. The team has changed since and the people at the top now wear the Solidarity badge, but, to tell you the truth, their mentality should undergo a decommunization process because they still copy the models of the past era. I say this with great sadness.

[Sondej] What about your mandate as councillor? Why have you not stepped down from that office? Every now and then someone brings up the complaint that you are not discharging your duties properly in your capacity as councillor.

[Frasyniuk] I stepped down from the local self-government parliament [Sejmik Samorzadowy] a long while ago. I am still a member of the City Council. However, as soon as the election campaign was launched, I sent my resignation to Prof. Miekisz. This was not accepted because it was thought that a councillor who is at the same time a parliamentary deputy can achieve a lot for the city. And this is what happened. True, I have very few opportunities to take part in City Council sessions, or the meetings of the Transportation Commission. But I have no reason to be ashamed of my record in highlighting matters crucial to the city of Wroclaw in the Sejm forum, or getting them sorted out. I get the impression that the councillors who complain about my "inactivity" have hardly done as much or more for the city themselves....

[Sondej] What about your private business concerns? Local rumor has it that you are financial giant. Is it true?

[Frasyniuk] I have heard these rumors. Wlodek Mekarski....

[Sondej] ...He is your business partner, is he not?

[Frasyniuk] Yes. He claims that we should always insist that we are successful and boast of our good standing in the business spheres. However, I am actually in a very difficult financial situation at the moment. I could have restricted myself to becoming a professional parliamentarian and only drawing a Sejm salary. But I decided to give that up, because I had a private company already and it seemed to me that it was not politic to reach into the state coffers in such a situation. Unfortunately, my business is not doing well because of the financial crisis. I actually contributed to it myself. I fought in parliament to get the Sejm's international transportation act revised and updated, and the regulations I pushed through hit my own company. I left it too late before applying for the new regulation license, and I ended up with having to wait for several months and watching my transport trucks standing idle in the company yard all that time. I did not even have enough money to pay off a loan I took out a few months ago. I know only too well what it means to struggle for survival because I have to support my family and work in parliament on my Sejm salary alone. But I have found that it is impossible to fight against malicious gossip.

[Sondej] We have talked for about half an hour now. During this time you must have made quite a number of new enemies out there.

[Frasyniuk] As far as I am concerned, speaking out and exposing difficult truths is a question of my political credibility—and I certainly want to be credible as a politician. In any case, I have always been a guy who takes risks.

Suchocka Meets Opposition Sejm Deputies

WS1712134092 Warsaw SERWIS INFORMACYJNY in Polish 1649 GMT 10 Dec 92

["Prime Minister Hanna Suchocka's Meeting With the Deputies of the Parliamentary Club Democratic Left Alliance"—SERWIS INFORMACYJNY headline]

[Text] During the meeting with the Parliamentary Club Democratic Left Alliance [KP SLD], Prime Minister Hanna Suchocka denied the 10 December press reports that the government may forego the 50 percent tax on the highest incomes. The prime minister evaluates her contacts with the president positively. According to Suchocka, Lech Walesa is a president who well fills the role assigned to him by the constitution. Suchocka opposes a group approach to the problems of decommunization and thinks that these matters should be solved individually. The most important thing is to observe the rule against discrimination. Suchocka is an opponent of a referendum on abortion. At the same time, she is an opponent of penalizing abortion. KP SLD Chairman Aleksander Kwasniewski handed Suchocka a draft bill on social and economic rights, that was recently tabled by KP SLD, and asked for her support.

KP SLD Is a Responsible Opposition

In expressing her thanks for the invitation, Suchocka said that, upon taking office, she had expressed readiness to cooperate with all deputies' clubs, including the opposition. The meeting with the Democratic Left Alliance is the first of such meetings. Suchocka stressed that she considers the club to be a responsible opposition.

The Prime Minister Denied Today's Press Reports Claiming That the Government May Forego the 50 Percent Tax on the Highest Incomes

The prime minister denied press reports that the government may give up the 50 percent tax on the highest incomes and said that she could not make such a decision without consulting the Council of Ministers. She also appealed to the press not to publish statements that she had not made.

In answering SLD deputies' questions, she said that the government had not yet debated the possibility of asking for Sejm authorization to issue decrees by legislative decree. She also said there exists another possibility such as forwarding some bills through the so-called fast legislative track. Those two issues will be examined by the government.

Evaluation of Walesa's Two Years in Office

Asked for an evaluation of the president's two years in office, Suchocka said that she had voted for Walesa in the second round of the presidential election. She said that she evaluated her contacts with the president positively. In her opinion, Walesa is a president who fulfills well the role assigned to him by the constitution.

Suchocka on Decommunization Bills

Asked to comment on decommunization bills and the referendum on abortion, Suchocka said she opposes a group approach to the problem of decommunization. In her opinion, these issues should be dealt with separately. The most important thing is not to discriminate. She emphasized that this is a coalition government, and that it will not be involved with any ideological problems.

Suchocka on the Abortion Referendum

As far as the referendum on abortion is concerned, Suchocka said that she is an opponent of the referendum because, in her opinion, it may create confusion and conflicts in society. The referendum may also lead to the destabilization of the narrow democratic structures in the country.

Stating that this was her personal opinion, Suchocka said that she opposes the referendum, but also opposes the penalizing of abortion.

A Substantive Evaluation of the Ministers Is Very Difficult

Asked to evaluate the activities of some of her ministers—including Ireneusz Niewiarowski and Zygmunt Hortmanowicz, who failed to receive the Sejm vote of confidence upon the formation of the government—Suchocka replied that it is difficult to make a substantive evaluation of the ministers. As far as the aforementioned ministers are concerned, they had proven themselves and the prime minister's opinion on the subject is not close to the view of the Sejm committees. She also mentioned that she is closely observing and evaluating the work of the Ministry of Justice.

Request for Support

At the end of the meeting, Aleksander Kwasniewski handed Suchocka KP SLD's draft bill on social and economic rights and appealed for her support.

Suspended Abortion Debate Provokes Coalition Crisis

LD1712153192 Warsaw Third Program Radio Network in Polish 1400 GMT 17 Dec 92

[Text] The dropping of the draft antiabortion law from the agenda of the Sejm's present session has provoked a serious coalition crisis. Monika Olejnik reports:

The draft antiabortion law will be put on the agenda before the end of this year. This is what the government coalition, which urgently met in the Sejm, has decided. This must happen between Poland's traditional Christmas eve celebrations and the New Year. Minister Jerzy Kaminski said that the Labor Union's motion to defer the debate surprised the coalition members, and in order to be fair to the Christian National Union [ZChN] an abortion debate will be held.

Stefan Niesiolowski [chairman of the ZChN parliamentary floor group] said the ZChN has not threatened to leave the coalition, even through some ZChN members suggested this to journalists. Earlier, Stefan Niesiolowski accused the Liberals of treachery. At a news conference he withdrew that charge and apologized to the Liberal floor group.

Bronislaw Geremek [chairman of the Democratic Union parliamentary floor group] said that on the abortion law issue the Democratic Union is not going to enter any alignments.

Center Accord Activists Quit Over Party Leadership

AU1412204292 Warsaw GAZETA WYBORCZA in Polish 10 Dec 92 p 2

[Report by Ireneusz Domanski: "A Return to Roots"]

[Text] Deputy Tadeusz Kowalczyk, the Voivodship Center Accord [PC] Main Board, and members of the national PC governing bodies from Radom Voivodship left the party on Wednesday [9 December]. They accused the party's central bodies of abandoning their roots.

"The PC has ceased to be the party that we formed together with our colleagues," said Kowalczyk at a news conference. "We sent a letter to Jaroslaw Kaczynski appealing for a return to our roots, to our May 1990 declaration. We tried to change the direction in which the PC is heading, but without success."

Deputy Kowalczyk, who also left the PC Parliamentary Club, accused the PC's governing bodies of displaying a lack of responsibility for the country, of becoming lost in political games, populism, and fundamentalism. He considered it a serious mistake for the PC to have adopted an "aggressive" opposition stance, of counting on general strikes, the collapse of the Suchocka government, and success in new elections. The deputy said: "Despite considerable misgivings, this government has a chance to save the country and democracy. May our departure from the PC be a signal that one cannot continue to argue with everyone. The style cultivated by the leaders of the PC is causing the party's most valuable people to leave it."

Deputy Kowalczyk said that he would not join any other parliamentary club or party. However, we unofficially learned that he is interested in cooperating with the liberals. "I am a provincial politician and I want to do something for my region. I am going to stop dealing with politics on a grand scale and devote myself to local matters." Kowalczyk expressed the hope that someone will be found to lead the party at the local level and bring about its renaissance.

Kuron on Strikes, Social Policy, Public Trust

WS1712133092 Warsaw TVP Television First Program Network in Polish 1855 GMT 15 Dec 92

["Seven Minutes for the Minister of Labor" with Labor Minister Jacek Kuron—live or recorded]

[Text] Good evening. Despite all the strike news on "Wiadomosci," I will, on the whole, not be talking about strikes. I have already spoken about and explained that the situation with the coal mines is difficult and, unfortunately, will be difficult for some time to come. I have said that there is, in general, a certain impatience among the people, workers, and trade unions. This is obvious because we have achieved the long-awaited growth in production. Next year we will see production growth and all the same, this year we still witnessed a decrease in family incomes. So the dissatisfaction is understandable.

But we are, as it were, completing the Agreement on Companies, which will draw state company workers into privatization activities—activities that will change their companies, adjust them to the market. At the same time, the tripartite government-trade union-employees committee will start operating, which will deal with the problem of incomes, or the income policy of the state, or just the problem of how much we can consume and how much of the growth we can invest. And in this connection, I will tell you about various issues which are important and which are, in a way, related to the strikes.

But in general, in a situation in which production growth can be noticed, in an obvious way the impatience is increasing, although we are not going to wait very long for an increase in our incomes. And, as stated by an American, a Peace Corps worker who had come to Poland to work in a small municipality, when asked about what should be changed here in Poland, said: first of all I would like the people to smile at each other, and this costs nothing.

And she is, of course, right. We smile little at one another, but this is understandable. It is not because we are an exceptionally gloomy nation, not at all. It is because we are frustrated, poor, and the main reason for the whole frustration, as it were, or one of the most important reasons for the frustration, is a sort of quite general mistrust of the state, mistrust of the government. One has to realize that this mistrust is well-founded and it took shape during our history. It is enough to mention that in the 1920's and 1930's, at the beginning a social legislature was created that was one of the most modern in Europe. It was open to social protection, but then we had the Bolshevik war, two crises, and, as a result, the collapse of the state that had not paid off its debts. Then the communist authority came with promises that it could not keep, and then we came, the Solidarity authority, and again, we made an impression that we would quickly change an awful lot, that quickly.... [Kuron changes thought] Well, it is changing quickly, but people had the impression that they would live better, we made various promises that we have not kept. We were

not able to keep them because first, we were not very competent; second, we did not imagine that this crisis, the collapse of communism, would bring about such a huge crisis around us, in neighboring countries, and all over the world, which incredibly complicated our situation. As a result, we built this new order and we immediately failed.

The proposal that I submitted to the Sejm on limiting the pension increase next year is also an element of the government getting out of a commitment. One could point to more such unfulfilled commitments. However, the people want to know that they are governed and that they are governed well. And if it were like this—if everyone knew that this proposal to limit raises which was submitted by me would be the last limit on the increase in pensions, and then the pensions would grow higher—if people were sure about that, they would accept the limitation, and there would be no resistance. But they are afraid that this will continue. It is precisely the mistrust toward the government that is a major, considerable obstacle in the process of lifting ourselves up from the difficulties we are currently experiencing.

And it is not that I want to appeal to you for trust because trust cannot be won with appeals. I want to say that the situation is as it is, we must now build our social policy, so... [Kuron changes thought] and economic policy as well, not on the basis of trust toward some distant government, a distant minister, but trust toward one another, to the structures that we are building ourselves in self-governments, which we have at hand, which we can influence, in mutual insurance associations, apartment funds. Of course this does not mean that the government is shifting, wants to shift the responsibility to the people, that the state wants to shift our responsibility to the people. The state must start acting in such a way—and we started it and we are doing it more and more effectively—as to make it possible for the people to start organizing themselves, with regard to apartment issues, health services, such as the railway workers with the mutual insurance association; they do it through their railway health service; also with regard to additional pension insurance systems, which can be supported by the government, which must be financed through tax relief. This whole mechanism of varied activities of our own, when each of us can be near, can participate in decisionmaking, can have control over the decision, all of it together will create conditions in which we can trust one another, trust the government, and the state. Then we will certainly smile at one another. Good night.

Mine Workers Union Leader, Industry Minister on Strikes

WS1712133892 Warsaw TVP Television Second Program Network in Polish 0700 GMT 17 Dec 92

[From the "Panorama" newscast]

[Text] In Upper Silesia, 50 mines are on strike. The strike is backed by all the miners' trade union centers. The miners have been joined by the Silesian railway workers.

In a few hours' time, the miners' strike will be joined by more mines. The Mining Trade Union Federation and the Miners' Trade Union in Poland, as well as Solidarity '80, have called upon their members to start a general strike, which was announced by the Country Mining Solidarity Committee three days ago.

[Begin Rajmund Moric, chairman of the Mine Workers Trade Union Federation, recording] The general strike was announced because we think that the two-hour protest against the government's policy in general, including the policy toward mining, proclaimed by Solidarity on 14 December, had no effect; there were no declarations on the part of the authorities concerning solutions to the problems that have accumulated. [end recording]

In the definite majority of mines, the strike committees have all along included representatives of all unions active in the mines.

In many mines, people are talking about the fact that the internal possibilities for restructuring and improving the economic situation in the mines have already been exhausted. The strikers are counting on the government to take measures soon to rescue nearly 50 mines from bankruptcy. For example in this mine, the Szombierki Mine, the very last funds were spent yesterday on miners' wages.

[Begin Waclaw Niewiarowski, minister of industry and trade, recording] At present in this situation, we have to take steps which would not lead to any irreversible losses, especially in the cokeries or in ensuring an adequate supply of electric power. These issues will also be discussed tomorrow in my Sejm speech. However, while talking about restructuring, we have, along with the unions, gone very far. We are actually in the final stage, and so, as a matter of fact, I do not understand the scope and, as it were, the character of these strikes which may cause all that we have worked so hard to achieve to be delayed, or go down the drain. [end recording]

Teodoru, FRY Transport Minister Discuss Embargo

AU1712174192 Bucharest Radio Romania Network in Romanian 1400 GMT 17 Dec 92

[Text] Romanian Transport Minister Paul Teodoru today received Mr. Milan Vujicic, transport minister of the Federative Republic of Yugoslavia.

During the talks, the Romanian minister emphasized the strict observance of the embargo imposed by the UN Security Council on Yugoslavia. Consequently, Yugoslav ships have been seized by Romanian customs authorities in Romanian ports and territorial waters. Under those circumstances, a great number of ships have accumulated, and thus—considering that the Danube River might freeze or a fire might break out—a dangerous situation has been created. To solve that problem, the authorities are waiting for instructions from the UN Sanctions Committee.

The Yugoslav minister highlighted the fact that according to Yugoslavia's official position, Romanian ships are free to travel the Yugoslav section of the Danube River, while admitting that in certain cases federal authorities might lose control over local ones. The communique of the Romanian Transport Ministry press office concludes by saying that Mr. Vujicic also mentioned that transports within the Yugoslav economy are Danube-oriented and expressed his hope that after the UN sanctions are lifted, Romanian-Yugoslav transport relations will be continued and further developed.

Government Adopts Anti-Inflationist Measures

AU1612195392 Bucharest ROMPRES in English 1902 GMT 16 Dec 92

[Text] Bucharest, ROMPRES 16/12/1992—Taking into account the necessity to maintain control of the inflation process, by ensuring a certain balance between prices and salaries, the Romanian Government adopted during its meeting of Wednesday, December 16, a bill on the prolongation in 1993 too of the application of certain measures to that effect. The bill stipulates that in order to dampen the inflation process the government will be empowered—provided the trade unions agree—to take measures over one year at the most to moderate pay raises by introducing supplementary taxes on the employers.

The pay raise moderation system in 1992 took into account mainly the establishing of a salary fund to the extent of which the commercial companies in which the state holds the majority of the capital and the public corporations could grant individual salaries without any restrictions. In case they used more than that fund, they had to pay an extra tax.

The possibility to extend the tax-free salary fund existed insofar as the number of employees would increase as well as the efficiency of the company, therefore the companies that developed their activity and created new employment or those that increased productivity would not be held back.

PUNR To Propose Early Retirement, Other Bills

AU1712204392 Bucharest ROMPRES in English 2013 GMT 17 Dec 92

[Text] Bucharest, ROMPRES 17/12/1992—Proposals for draft laws the Romanian National Unity Party (PUNR) make and are to be advanced to Parliament for debate made up the theme of the weekly press conference this party held on December 17.

Approaching aspects of such legislative initiatives, Ioan Gavra, PUNR vice president, specified they concerned the pensioning, upon request, of all women who have a 25-years length of service and men with a 35-year length of service, new work places being thus created for the younger generations. Then he mentioned amendments to the privatization law, because privatization will start in Romania in January at a macroeconomic level, a five-time rise in the allowances of mothers with several children, a draft law regarding housing construction for young people by crediting them with 15 percent interest rates, the setting up of a parliamentary inquiry commission to see how ministries' hard currency was spent over the 1990-92 interval, more particularly in culture and education, a special government program to credit the building and rebuilding of churches and monasteries in this country, cancellation of the Soros Foundation program measures for materially and legally assisting the persons who were victims of aggression in Harghita, Covasna, and Mures counties.

FSN Steering Committee Conference Opens

AU1712193792 Bucharest ROMPRES in English 1902 GMT 17 Nov 92

[Text] Bucharest, ROMPRES 17/12/1992—Thursday, December 17, the proceedings began in Bucharest of the National Salvation Front [FSN] Steering Committee, attended by important personalities of that party and representatives of the territorial branches of the FSN women's organizations.

In his opening address FSN President Petre Roman made a short political report, referring to issues related to the reform, to social protection in the system of social relations and trade unionism, to conflicts in a democracy, to political orientations in Romania, and to the FSN's integration in the current politics.

The next speakers included Ion Aurel Stoica, who made an analysis of the structure of the FSN's electorate; Victor Babiuc, who made a survey of the democratization of the public institutions; and Radu Berceanu, who read a report on organizational aspects. Tomorrow the FSN Steering Committee will discuss among other things the future name of that political party.

Serb Leader Warns Against Enforcing No-Fly Zone

LD1712140592 Belgrade TANJUG Domestic Service in Serbo-Croatian 1319 GMT 17 Dec 92

[Text] London, 17 Dec (TANJUG)—Radovan Karadzic, leader of the Bosnian Serbs, today sent a letter to John Major, the British prime minister and current EC president, warning that any decision to allow the use of force against the Serbian air force in Bosnia-Hercegovina could have serious consequences.

In that case, Karadzic stresses that all UN forces on Bosnia-Hercegovina's territory would be declared enemy forces. The Serb Republic's government would have limited influence in such a situation. Some ground units could attack the blue helmets, he said.

Karadzic asks the United Nations to draw up urgent plans to evacuate the entire blue helmet contingent from Bosnia-Hercegovina if the United Nations opts for the use of force.

Karadzic sent an identical letter to UN Secretary General Butrus Butrus-Ghali.

Warns British Against Enforcement

LD1712194492 London PRESS ASSOCIATION in English 1825 GMT 17 Dec 92

[Report by PRESS ASSOCIATION correspondents Paul Bromley and Geoff Meade]

[Text] Britain will not be intimidated by a warning from the Bosnian Serb leader against using force to back the "no-fly" zone, Downing Street said tonight. In Brussels, Foreign Secretary Douglas Hurd put Britain's name to a NATO commitment tonight to support United Nations military action if violations of a "no-fly" zone continue. But Radovan Karadzic told John Major in a letter that his influence over the Bosnian Serb military would be limited if there was military action against Serb aircraft and British troops would be in danger. Whitehall officials dismissed the letter as bellicose voices from Serbia and said Britain's resolve was firm. "We will not be intimidated," Downing Street insisted.

Karadzic said: "If it is decided that the UN Security Council resolution should be enforced by the use of force and this results in the destruction of our helicopters, the parliament of the republic ... will almost certainly declare all UN forces as hostile." Mr. Major is set to discuss plans for a new UN resolution to enforce the no-fly zone with Canadian premier Brian Mulroney tonight and with President Bush at Camp David over the weekend.

Liberal Democrat defence spokesman Menzies Campbell backed the Government's stance, saying: "It is vital for the future of the United Nations that it does not bow to the blackmail of a brigand like Mr. Karadzic." He said the Bosnian Serb leader wished to flout the UN and the international community. "There is only one way to deal with blackmailers and that is to slap them down hard," added Mr. Campbell. Mr. Hurd tonight urged caution by the NATO allies. He insisted that "persausion, pressure and humanitarian aid" were the other effective weapons to fight growing Serbian aggression in Bosnia. He told talks in Brussels that the no-fly zone, imposed by the UN Security Council on October 9, had worked and any badly-judged enforcement plan could end vitally needed aid missions on the ground. The foreign secretary fought all day at NATO headquarters in Brussels to ensure the humanitarian aid effort now underway in Bosnia was not undermined by any pledges on military action. He warned the NATO allies that nothing should be done to jeopardise the aid mission or the lives of soldiers—largely British—on the ground who are helping ensure relief supplies reach victims of the war. Tonight's declaration points out that the UN Security Council will shortly be considering adopting a resolution on enforcing the no-fly zone "bearing in mind the need to continue the current humanitarian effort in Bosnia."

It goes on: "Should such a resolution be adopted, and should violations continue thereafter, we would be prepared to support the UN in enforcing that resolution."

Mr. Hurd [British foreign minister] dismissed the warning letter sent today to Mr. Major. He said the letter, also sent to the UN Secretary-General, had been reported to the ministers during the NATO talks, but insisted: "It did not influence the outcome." The Dutch foreign minister Hans van den Broek had argued during the talks for the suspension of the humanitarian aid effort to clear the way for UN-led military intervention. Mr. Hurd said: "Nobody should decry the scale of the effort we are making, whether measured in terms of men, money or the risks we are taking. That is for sure.

"We cannot impose a settlement. No-one is asking us to create a protectorate in which we say that these are your laws, and your governors. We are left with persuasion, pressure and humanitarian aid. We have agreed that all of those things need to be strengthened." Although there had been at least 200 violations of Bosnia air space by Serbian helicopters, Mr. Hurd told the allies that this was "a lesser form of evil," because there was no evidence they were directly involved in killing people. Mr. Hurd returns to London tonight after a three-day swing through Stockholm, Geneva and Brussels discussing the crisis in the former Yugoslavia.

Serbs Call on Sarajevo Inhabitants To Leave

LD1712234892 Belgrade TANJUG Domestic Service in Serbo-Croatian 2224 GMT 17 Dec 92

[Text] Belgrade, 17 Dec (TANJUG)—The Presidency of the Serb Republic has called on the inhabitants of Sarajevo who wish to leave the city to gather in front of the Catholic Holy Trinity Church in Novo Sarajevo municipality at 1000 tomorrow, SRNA reports.

"Nobody has the right to stop you in your intention to leave the combat zone," the Presidency's proclamation says.

Citizens are recommended to move in groups toward the Holy Trinity Church to make it "easier for them to resist those who try to stop their evacuation by force," the proclamation stresses.

Once they gather, the inhabitants of Sarajevo should move along the UN Protection Force [UNPROFOR] corridor toward Ilidza from where they can go to Kiseljak [Croat controlled territory], Butmir [Muslim controlled territory], or Pale [Serb controlled territory], the proclamation stresses.

The Serb Republic's authorities guarantee that none of the persons leaving the Muslim part of Sarajevo in this operation will be mobilized by the Serb army. "Everyone is free to go where they wish, be it the territory of the Serb Republic or elsewhere in some other state," SRNA cites the proclamation as saying.

Karadzic Letter to Red Cross

LD1812024992 Belgrade TANJUG Domestic Service in Serbo-Croatian 2311 GMT 17 Dec 92

[Text] Belgrade, 17 Dec (TANJUG)—According to our estimates, around 95 percent of Serbs, 85 percent of Croats, and 75 percent of Muslims wish to leave Sarajevo, it is stated in the letter that Radovan Karadzic sent to Sadako Ogata UN's High Commissioner for Refugees and to Cornelio Sommaruga, the president of the International Commission for the Red Cross, SRNA reported late this evening.

The letter stresses that the Serb side will not abandon the realization of this operation [Presidency of Bosnian Serbs urging Sarajevo inhabitants who want to leave to gather on 18 December], scheduled for tomorrow, above all because of "the fate of more than 40,000 Serbs still in Sarajevo [Muslim-held section] but also because of the suffering of other citizens."

Karadzic expressed his hope that "Mrs. Ogata and Mr. Sommaruga will show full understanding for the tragic situation in which the inhabitants of Sarajevo found themselves, in particular the Serbs living in the Muslim-controlled part of the city."

Karadzic stresses that there is "undoubted responsibility on the part of the international community in helping to resolve the inhuman position of civilians in this city."

"No humanitarian organization can distance itself from it, especially not the organizations you are heading," Karadzic says in his letter carried by SRNA.

Reaction to Serb Statement

AU1812110592 Paris AFP in English 1021 GMT 17 Dec 92

[Report by Michael Adler]

[Text] Sarajevo, Dec 18 (AFP)—International peace negotiators Cyrus Vance and David Owen [cochairmen of the Conference on Yugoslavia] were to arrive in besieged Sarajevo Friday [18 December] to revive truce talks that are falling apart, a UN spokesman said.

The warring factions had agreed here Sunday on maintaining a cease-fire and opening three corridors for free passage in and out of Sarajevo.

But new conditions have been set forth. The Bosnian Government side has called for heavy artillery to be removed to make the corridors safe and the besieging Serb separatists are talking about a total end to hostilities, UN spokesman Adnan Abdel Razek told reporters Friday.

Abdel Razek admitted the failure of previous ceasefires and peace efforts. "We are in a situation where there is no indication of a change of heart of the warriors," he said.

"There is a step forward and then falling back into hard lines and hard feelings," he said, adding that the UN was still trying to play a helpful role in creating a framework for dialogue.

EC negotiator Owens and UN envoy Vance will meet both the Serb and Bosnian sides here, with the corridors unlikely to open Saturday as planned. This comes on the day after Serb separatists who surround Sarajevo declared at their nearby headquarters in Pale a unilateral halt to the war as of December 25, Christmas.

Their idea of halting war meant holding current positions and considering present front lines as temporary borders in the Serb drive to create an independent state in Bosnia-Hercegovina, the Bosnian Serb Srna agency said monitored in Belgrade. Meanwhile, the Serbs reiterated Thursday their offer for people to leave Sarajevo.

The United Nations issued a statement here late Thursday denying a separatist Serbian radio report that UN troops would help in an evacuation it said would start Friday from the Bosnia-Hercegovina capital. A tour of Sarajevo Friday morning showed no signs of people gathering to evacuate.

Serb officials last week offered safe passage for anyone wanting to leave Sarajevo, where some 380,000 people are under Serbian siege.

The UN press statement said that a recent announcement on a separatist Serb radio station "telling people who wish to leave Sarajevo to gather at the Church of Dolac Malta tomorrow (Friday) morning at 1000" from where they will be "escorted to Ilidza (western Sarajevo) by UNPROFOR is highly misleading."

It said the UN Protection Force (UNPROFOR) has no knowledge of this proposal and invites those responsible for the broadcast to issue a correction so that lives are not needlessly endangered in this way.

"UNPROFOR has no plans to escort any such group and any suggestion to the contrary is dishonest," the statement said.

Bosnian Government officials have roundly rejected the safe exit offer as a propaganda trick and repeated their charges that Serb forces are guilty of genocidal acts in a policy of "ethnic cleansing" against the Slav Moslem and Croat groups.

The main boulevard in Sarajevo Vojvode Putnika, known as "snipers alley" due to shooting from Serbs in nearby high-rise buildings, was blocked off Thursday and Friday from the major downtown area.

It was not clear however if this had any connection with the Serb radio broadcast. Bosnian officials were not immediately available for comment.

The Serb radio had said the presence of Sarajevo Friday of Vance and Lord Owen "would be of great importance for achieving your right to exile."

Nikola Koljevic, a member of the presidency of the self-proclaimed Serb Republic of Bosnia, said UNPROFOR looked favorably on Friday's operation, "on condition that it be approved at a meeting of the military representatives of the three sides scheduled for Friday."

UN Forces Urged To Protect Civilian Passage

LD1712234192 Belgrade TANJUG Domestic Service in Serbo-Croatian 2143 GMT 17 Dec 92

[Text] Belgrade, 17 Dec (TANJUG)—Nikola Koljevic, member of the Presidency of the Serb Republic, today asked the UN Protection Force [UNPROFOR] command for Bosnia-Hercegovina to protect the free passage of civilians from Sarajevo along the agreed corridors, planned for 18 December, SRNA reports.

"After we signed the agreement on the free passage of civilians on 13 December, regarding the security of Sarajevo airport on 13 December, and after confirming our readiness for an unconditional cessation of hostilities in Bosnia-Hercegovina, we are calling on the UNPROFOR command to protect the free passage of civilians and to protect the lives of those threatened by hunger, winter, and illegal pressures," Koljevic stressed.

Assembly of Serb Republic Declares End of War

LD1712215092 Belgrade TANJUG Domestic Service in Serbo-Croatian 2000 GMT 17 Dec 92

[Text] Pale, 17 Dec (TANJUG)—Late this afternoon the parliament of the Serb Republic [of Bosnia-Hercegovina] adopted a declaration proclaiming that for the Serb Republic the ethnic-religious war in the former republic of Bosnia-Hercegovina has ended.

The declaration stresses that the Serb nation has won its own independent and sovereign state, the Serb Republic, and that the borders which from today at 1200 are guarded by the Army of the Serb Republic are the provisional borders of the Serb Republic.

The declaration comes into force eight days after its publication. It stresses that the borders of the Serb Republic will be provisional borders until a peace agreement between the sides in the conflict is concluded.

A peace agreement, it is stressed, can only be concluded when the units of the Army of the Republic of Croatia are withdrawn from the territory of the Serb Republic and when all territorial and border issues between the constitutive states which are organized on the territory of the former Bosnia-Hercegovina are resolved peacefully and by political means and when the international community guarantees its implementation.

The declaration also states that the Serb Republic is prepared to start talks on concluding a peace agreement between the sides in the ethnic-religious war and to continue negotiations on the structure of the former Bosnia-Hercegovina within the framework of the conference on the former Yugoslavia.

In the declaration the state organs of the Serb Republic undertake in accordance with its constitution and laws to guarantee peace and existential, legal, and property security to all citizens without discrimination.

The Serb Republic undertakes in the declaration to cooperate with bodies of the international community in the area of the realization of human and minority rights.

The declaration states in conclusion that the state organs of the Serb Republic, in accordance with their competence, call on all armed persons on its territory who do not form part of the Army of the Serb Republic or the Ministry of Internal Affairs, to hand over all the arms in their possession or to place themselves under the command of the Army of the Serb Republic.

Any further armed activity on the territory of the Serb Republic, it is stated, will be prevented in accordance with the law. All persons who have taken part in the fighting but have not committed war crimes will be covered by an amnesty, says the declaration adopted by the parliament of the Serb Republic.

Gunman Shoots French UN Soldier in Abdomen

AU1712132092 Paris AFP in English 1226 GMT 17 Dec 92

[Text] Paris, Dec 17 (AFP)—A French soldier with U.N. forces in Bosnia-Hercegovina was wounded by gunfire late on Wednesday [16 December] while on guard at Sarajevo airport, the armed forces news service here said. Jean-Claude Salua was shot in the abdomen by a lone gunman and was operated on overnight. France has 700 troops stationed in Sarajevo with the U.N. Protection Force.

Izetbegovic on Talks with Croats, Vance, Owen

LD1712190792 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 17 Dec 92

[Text] Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, held a news conference in the Zagreb Esplanade Hotel following today's talks with President Tudjman, Mate Boban [Bosnian Croat leader] and the cochairmen of the conference on the former Yugoslavia, Lord Owen and Cyrus Vance, Nenad Stazic reports.

The talks were long and difficult, lasting three hours, President Izetbegovic said. We discussed a new structure for Bosnia-Hercegovina which would not be based purely on a national principle. The future provinces or regions would have geographic names—so Boban has backed off on the Croatian community of Herceg-Bosnia, Izetbegovic said. The talks will certainly continue, and will be concluded on 27 December in Geneva. After this there will be a meeting with the opposite side. Agreement to this was the most difficult decision in my life, President Izetbegovic said, and was made at the explicit request of Vance and Owen. I made it because I do not want to do anything that could put us in the position of being blamed for the continuation of the war.

Asked about the possible involvement of Croatia in the war, President Izetbegovic reiterated that he believes that Croatia has no territorial pretensions to Bosnia-Hercegovina, but that for economic reasons Croatia is not prepared to enter a military alliance. Citing Article 51 of the Bosnia-Hercegovina Constitution, Izetbegovic said that he intends to remain president of the Bosnia-Hercegovina Presidency for as long as there is a state of war in this country.

Izetbegovic Assesses Military Situation

AU1712171192 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 17 Dec 92

[Report by Izudin Sahovic from Mostar]

[Text] During the long conversation with war correspondents, Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, spoke, among other things, about the current military situation and different views regarding the future organization of Bosnia-Hercegovina.

Concerning the military situation, Mr. Izetbegovic stressed that the aggressor had succeeded in capturing some 55 percent, not 70 percent, of the territory in their so-called blitzkrieg. After the initial superiority, a balance of powers has now been established between the aggressor's forces and the Bosnia-Hercegovina Army, together with the Croatian Defense Council. We get stronger every day, while they get weaker, and our victory is certain since this war will be won by the spirit of Bosnia-Hercegovina. The greater Serbia ideology, based on genocide and ethnic cleansing, has been politically defeated and morally condemned and cannot be saved with guns.

On the issue of the joint defense front of the Croatian and Muslim people of Bosnia-Hercegovina against the aggressor, Mr. Izetbegovic said that, generally speaking, a joint front had not yet been created, which did not mean that it did not exist on the ground. But that was due to some smart soldiers and not politicians. As I see it, Izetbegovic said, some Croatian politicians from Bosnia-Hercegovina want to have a package deal: They want to slip in a political solution to Bosnia-Hercegovina with the joint struggle, and their solution looks like the Croatian Community of Herceg-Bosnia. I believe that those two issues should be dealt with separately, Izetbegovic said, because both in conjunction complicate and delay the formation of joint commands, without which there can be no effective struggle against the aggressor.

As for the future organization of Bosnia-Hercegovina, President Izetbegovic said, I will use plain language: We want a normal, European state. The latest offer by Vance and Owen [cochairmen of the Geneva Conference on Yugoslavia] in Geneva resembles that model and we have accepted it in principle. Mate Boban [Bosnian Croat leader] has accepted it, too. I honestly cannot understand what the problem is now. As far as I know, the offered model does not envisage the partition of Bosnia into three constituent units, and the plan is so clear that it does not bear different interpretations. I believe that the stumbling block in the Croatian Community of Herceg-Bosnia is that there are attempts to impose it regardless of the talks in Geneva. It could perhaps be a formal, less important side of the issue were it not so essential. It is all done through [word indistinct] acts and without consulting the representatives of the Muslim people.

I will tell Boban, Izetbegovic said, that there are no problems with a part of Bosnia-Hercegovina being called Herceg-Bosnia, but only as an administrative and territorial unit, not a Croatian Community. How is one to explain to the Muslims in Jablanica or Gornji Vakuf that they are supposed to be in a Croatian community, even though their communes have an overwhelming Muslim majority? Everyone knows that the explanation for that can only be in force, and we will not have that. That is why I said we need rationale and common sense, otherwise Karadzic will benefit to our great disadvantage.

I know, Izetbegovic added, that there has to be a clear objective for those who are fighting, for what kind of Bosnia-Hercegovina they are fighting. Our answer is: for a Bosnia-Hercegovina—or Herceg-Bosnia, if anyone prefers it so—in which the Muslim and Croatian people will be in the same position, have equal rights, in which the Croatian people will directly decide on their own affairs and take part in managing the joint state. That is where the proposals come from, proposals for parity in joint bodies, for decisionmaking through census on the vital issues. In any case, we want a modern state. When it

comes to Croatia, we want to have such relations that our western borders are the Adriatic Sea and Croatia's eastern borders are on the Drina River. Of course, not formally but in practice, President Izetbegovic told correspondents in Mostar.

EC's 'Lenient Attitude' Toward Serbs Criticized

AU1712202192 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 17 Dec 92

[Commentary by Zoran Pirolic]

[Text] Perhaps this assessment might seem premature, but it appears that the political process led by Cyrus Vance and David Owen [cochairmen of the Conference on Yugoslavia] is not going to bring about the end of war in Bosnia-Hercegovina. If their great contribution is the fact that they have given up the Lisbon concept of an ethnic partition of Bosnia-Hercegovina, then their great failing is in the fact that they are equalling the victim and the aggressor, one legitimate state, and a paramilitary state created in crime and genocide.

Vance and Owen keep claiming that they will never recognize the results of the aggression, conquering of territories, and ethnic cleansing, but yet they accept the directors of these crimes and this lawlessness as the legitimate participants of the negotiating process. If one accepts the proposal that Izetbegovic, Boban [Bosnian Croat leader], and Karadzic [Bosnian Serb leader] and their military commanders meet in Geneva after the new year, then this is the opportunity for the West to bring to the negotiating table two protagonists in the terrible violence, two men who have been branded war criminals by the world. These two are, of course, Radovan Karadzic and Ratko Mladic [commander of the Bosnian Serb army], who were justly accused of war crimes yesterday by Lawrence Eagleburger, acting UN Secretary of State, in his speech in Geneva, in which he also added the name of their Belgrade master, Slobodan Milosevic [Serbian president]. [Passage indistinct]

The reticent syndrome and behavior of France and Great Britain toward fascism in the Balkans is more marked than it was in 1938, even though the opponent is now incomparably weaker than Adolph Hitler was then. Those analysts are right who claim that the EC Declaration in Edinburgh is a successful exercise in rhetorics and nothing more, as it lacks essence, a proposal of effective measures to stop the aggressor. The UN resolution that would allow the shooting down of the aggressor's planes over Bosnia-Hercegovina if they violate the ban on military flights has little practical meaning as it would not change the situation on the ground and even less prevent the aggressor from continuing the destruction of this country.

If the Security Council really wants to do something, it should demand the implementation of its resolutions on the removal of heavy artillery around Sarajevo and other Bosnian cities, the withdrawal of equipment of the former Yugoslav People's Army from Bosnia-Hercegovina, and the supervision of borders between our country and the Serbian-Montenegrin federation. The seriousness of these intentions would be greater if the aggressor was given an ultimatum: Gentlemen, remove your heavy artillery in 20 to 30 hours, and if you do not we will destroy it. Everyone knows by now that plans for such and similar operations were prepared in the NATO headquarters a long time ago. The main obstacle to a harsher approach toward the aggressor is the extremely lenient attitude by the EC, which is trying to shove the Bosnia problem under the carpet at any cost, so as to conceal real evidence of its poor judgment and impotence.

The EC is not managing to solve any larger crisis on the continent. The Americans did not need better proof than the war in the former Yugoslavia to have their belief confirmed that without Washington, the European defense policy simply does not function, that it is all mere talk.

Vance, Owen Arrive for Talks

AU1712122292 Paris AFP in English 1136 GMT 17 Dec 92

[Text] Zagreb, Dec 17 (AFP)—Peace negotiators Cyrus Vance and David Owen arrived in the Croatian capital Zagreb Thursday [17 December] in a fresh diplomatic effort, after Owen spoke out against using force to end the carnage in Bosnia-Hercegovina. The office of the United Nations Protection Force confirmed the arrival of the two men Thursday morning. They were to meet during the day with Croatian President Franjo Tudjman and Bosnian President Alija Izetbegovic, who arrived here Wednesday.

Vance and Owen flew in after attending a one-day ministerial conference in Geneva Wednesday that called for stepped up pressure on Serbia—widely accused for most of the atrocities in Bosnia—but revealed differences on how forceful the U.N. should be in trying to stop the bloodshed.

Before heading to Zagreb Thursday, Owen, who represents the European Community, said he did not favor the use of force to enforce the no-fly zone over Bosnia. "I'm ready to use force, but I don't want to use it. I don't see great joy in using force, if you can achieve your objective through negotiation," he said in an interview broadcast by the BBC in London.

Owen said he felt using force, as urged Wednesday by former British prime minister Margaret Thatcher, would require moving U.N. troops and personnel to safe zones. "The main purpose is to fight winter, to fight the danger of losing hundreds of thousands of lives because food and essential medical supplies are not getting through," he said.

This contrasted with statements in Geneva Wednesday by U.S. Secretary of State Lawrence Eagleburger, who condemned Serbian leaders and called for "more aggressive measures", including enforcement of the no-fly zone and reexamination of the arms embargo on Bosnia-Hercegovina.

To step up their diplomatic offensive, Vance and Owen on Wednesday also annouced they intend to arrange a meeting in Geneva in early January between the heads of the three warring parties in Bosnia—Bosnia's nationalist Serb leader Radovan Karodzic, Bosnian Croat leader Mate Boban and Izetbegovic, representing the Moslem-led government.

Owen said this meeting would aim not only for a lasting end to hostilities and the demilitarization of Sarajevo, but also for a move back from front lines and free movement for civilians and humanitarian aid.

Differences over whether to use military means to pressure Serbia also emerged as North Atlantic Treaty Organization foreign ministers gathered for a meeting in Brussels Thursday. British Foreign Secretary Douglas Hurd said the session was unlikely to discuss military action in Bosnia, while a French diplomat said enforcement of the no-fly zone—as urged by France—would certainly be on the agenda.

Meet Tudjman

LD1712173492 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 17 Dec 92

[Text] Good afternoon, dear listeners. We are beginning our news program with a report from the presidential palace. Cyrus Vance and Lord Owen, the cochairmen of the conference on former Yugoslavia, arrived in Zagreb this morning to meet Croatian President Dr. Franjo Tudjman and President of the Bosnia-Hercegovina Presidency Alija Izetbegovic. Tihomir Vinkovic reports on their visit:

[Vinkovic] Cyrus Vance told journalists at Zagreb Airport that it is necessary to assess the situation fully before any decision is made regarding a military intervention in Bosnia-Hercegovina. He said that it is also necessary to assess the possible consequences for the members of UNPROFOR [UN Protection Forces], the Office of the UN High Commissioner for Refugees, and various other groups.

Following talks with President Tudjman and the president of the Bosnia-Hercegovina Presidency, Cyrus Vance stated:

[Begin Vance recording in English with superimposed Croatian translation] I would like to announce that it has been agreed that President Tudjman, President Izetbegovic, and Mr. Mate Boban [leader of the Bosnia-Hercegovina Croats] will meet the cochairmen of the conference on former Yugoslavia in Geneva on 27 December. It has also been agreed that Mr. Boban and Izetbegovic will meet with the cochairmen of the conference on former Yugoslavia on 1 January in Geneva. [end recording]

Cease-Fire Begins Along RSK-Croatian Border

LD1712155692 Belgrade TANJUG in English 1421 GMT 17 Dec 92

[Text] Knin, December 17 (TANJUG)—The three-day truce was put into effect along the southern demarcation line between Croatia and the Republic of Serb Krajina (RSK) at noon Thursday [17 December].

According to the latest agreement, brokered by the United Nations Protection Force (UNPROFOR), both sides shall respect the complete and absolute cease-fire on the line between Drnis and Maslenica until noon December 21.

Croatia has been violating the truce on the demarkation line, infiltrating saboteurs and opening fire on the RSK territory, controlled by UNPROFOR.

Croatia's violation of the truce has been confirmed by UN monitors. The representatives of the RSK said

Croats have killed 270 citizens and RSK militiamen since UNPROFOR was deployed in the RSK. After the Thursday truce expires, the warring sides are to refrain from further hostilities, UNPROFOR said. Should the three-day truce be respected, it ought to ensure peace during Christmas.

Foreign Minister's Views of CSCE Conference

LD1712181692 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 17 Dec 92

[Excerpt] At a news conference this morning Croatian Foreign Minister Zdenko Skrabalo assessed the latest CSCE ministerial meeting as highly beneficial for Croatia and for the international community. It was a step forward in the promotion of our own and European interests, Minister Skrabalo added. Andjelko Perincic has more details on the news conference:

[Perincic] Prior to our departure for Stockholm we did not expect anything spectacular, particularly regarding the change of policy toward Serbian aggression, Minister Skrabalo stated, adding that Europe is awaiting the elections in the neighboring and hostile country, and also for mid-January when the ultimatum issued by Islamic countries recently in Jeddah regarding the cessation of aggression expires, while the change-over in the U.S. administration is awaited at the same time.

Skrabalo said that the Stockholm summit showed that democratic changes in Europe are very fragile and that the old continent is not ready to act as one. This was best displayed in a discussion on the crisis in former Yugoslavia, although progress is noticeable in this regard because the CSCE resolution expressly states that the aggressors are Serbia and the Serbian paramilitary formations in Bosnia-Hercegovina. It is also important that, despite some rumors, Croatia was not mentioned even once in a negative context, neither orally nor in writing.

[Begin Skrabalo recording] Our conclusion and assessment is that Europe is in a critical phase of development, that only now is it becoming clear what kinds of dangers have been piling up due to the fact that Europe did not display resolve in stopping the entire circus in southeastern Europe, the tragic war, and that three great dangers are becoming increasingly apparent, apart from the danger of the war continuing in our country. It could spread to the whole of the territory of southeastern Europe—that is one of the dangers. Another danger is that due to European and UN inertia, the attitude of Islamic countries will become more radical and that a radical reaction will follow there; and third, in light of everything that has been happening in the Soviet Union [as heard], if a tough line prevails there and the present Yeltsin-Kozyrev team goes, then we will face a big danger of confrontation between two blocs, again communism in the guise of Russian nationalism linked with countries in which former communists under a different name are in power. We will face the major danger of a similar scenario developing in the Soviet Union. [end recording]

[Perincic] The cause for this conclusion was a shocking address at the Stockholm conference by Russian Foreign Minister Kozyrev.

Regarding bilateral meetings at the Stockholm conference, overall we conducted 17 meetings, Minister Skrabalo said. In the course of these meetings, our colocutors accepted, for example, a proposal by President Tudjman for a summit of Adriatic and Danube countries to be held in January or February.

As early as this month we will meet German Foreign Minister Klaus Kinkel. A trilateral meeting between ministers of Croatia, Italy, and Albania on common problems should also be held. Uffe Ellemann-Jensen, the foreign minister of Denmark—the country that will be assuming the EC presidency—is coming to Zagreb only a few days after he takes over the presidency. Contacts with the new Greek Foreign Minister were also made, Minister Skrabalo said. [passage omitted]

Croatia's 'Most Uncertain Winter' Ahead

93BA0352C Belgrade POLITIKA in Serbo-Croatian 3 Dec 92 p 12

[Article by Radoje Arsenic: "Refugees 'Richer' Than People Who Are Employed"]

[Text] Zagreb, 2 Dec—The news which is the least surprise to the citizens of Croatia because it is being announced all over again every few days with the same content, but different amounts, is that bread, meat, electricity, and transportation are more expensive.... And that is how monthly inflation gets to be all of 40 percent.

This is no "privilege" of this former Yugoslav republic, now the "sovereign and internationally recognized Republic of Croatia" because something similar is happening in all the regions of what until recently was our common homeland, but this is only one side, perhaps even the most innocent side, of the total price of forcibly realizing someone's dreams about creating overnight a heap of little states on the space which until recently was covered by one small joint state which they had in common.

That other side of the price is expressed in measures in the thousands of individuals, young and old, who have died utterly without purpose and by the tragedies of entire peoples set back for generations by the meaningless destruction....

"Rich" Refugees

Croatia and its inhabitants are with all this entering upon the most uncertain winter in the last half century, which is frightening both to those who have something and those who have been left with nothing but their bare lives. The fear of hunger was forgotten here long ago, and

today—just revived—it is perceived as a cataclysmic threat whose effect is unknown, which only makes it still more ominous.

Under the pressure of hundreds of thousands of refugees and those driven out from their own and the neighboring republic (the official figures speak even of 700,000 such misfortunates), Croatia is having a harder and harder time to make ends meet, because other facts also have to be included here, such as the bankrupt and devastated economy, and the high costs of war, because the regular troops are still fighting against the Serbs on the soil of Bosnia-Hercegovina, and because of an "unsympathetic" policy by the broader international community (except the Germans and certain others like them) it is still not getting any serious aid for postwar reconstruction.

Official representatives of the Croatian state make loud daily proclamations about the exceptional sacrifices Croatia is making in aiding the river of refugees and the immense costs which are already literally choking it, seeking in this way financial and other aid on all sides. An unusual arithmetic has emerged in this connection, one which has not escaped the vigilant eye of those who in spite of everything that has happened recently still have not parted company with sound logic: It is asserted, that is, that those 700,000 refugees are costing the Croatian state $90 million.

If that is really so, even the independent trade unions have observed—then simple mathematics shows this comes out to 200 German marks [DM] a month for every refugee. Because a majority of those employed in that republic have a monthly income just slightly more than DM100, this means, in other words, that the refugees are in practical terms "richer" than those who are working. So why, then, not give those DM200 to them directly; they will know quite well where to spend them—rather than the state fooling around with them, they say? What is more, that method would also save quite a bit, because it would do away with the costs of organizing and delivering aid and so on.

They can, of course, only dream about such a possibility. And also about whether Croatia is really spending as much money to maintain them as it is saying in public.

He Has a Large Pension

The last Tuesday in November many people in Zagreb milled about, as if by accident, in the central square of the city so that they would not miss a tragic scene that had been announced in one of the newspapers. A married couple from Split (of Serbian nationality), driven to despair by everything that has been happening to them over slightly more than the last year, announced (it was published in SLOBODNA DALMACIJA) that on that Tuesday they would come to the main square of Zagreb and immolate themselves in public, because that was the only way they had left to call attention to their sufferings. They did not come, but it is not known whether this means that in the meantime they finally managed to exercise at least one of their human rights, or some "higher power" had a hand in hushing up the whole affair.

This is, of course, only a drastic example of the dead ends people face and the suffering brought them by the "new age," but at the same time it also represents only the tip of the iceberg, the immense body of which is floating invisible below the surface. It is a rare day, then, when the obituaries here contain no brief notices about suicides, which since the beginning of the year already range around the number 200 in Croatia, a rate that has never been seen before in this community. It is said to be mental derangement.

In the bitter daily life, which is made still more bitter by the increasingly obvious fact of the rich stratum being created from those who hold the reins of power at the moment, the sparks of humor turned inward that are struck occasionally are rare surprises, and they have very great difficulty reaching the public, because they simply do not suit the prevailing spirit, which also holds almost all sources of information.

We have just read such an example in SLOBODNA DALMACIJA, written by Miljenko Smoja, the Dalmatian newspaper poet. He has, he says, a friend who lives alone, an old pensioner, who made a request to him a few days before in the Dalmatian style of speech:

"Do you know anyone who could arrange to reduce my pension by 2,000? If I had 11,000, then as a poor man I would have free drugs and a free doctor, but this way, with 13,000, I must pay for everything like a rich man...."

With that pension of 13,000, that friend of his, as things stand now, could buy DM30. Winter is already here on the threshold.

Croatian Academy Against War, Genocide

93BA0349A Split SLOBODNA DALMACIJA in Serbo-Croatian 9 Dec 92 p 8

[Text of "Appeal" by Croatian Academy of Science and Art: "In the Name of Peace and Humanity"]

[Text] *Raising its voice against war and genocide on the soil of the former Yugoslavia, the HAZU [Croatian Academy of Science and Art] calls on international public opinion to demand that their governments do what they are mandated to do under the UN Charter.*

Zagreb—"On many occasions, the Croatian Academy of Science and Art has raised its voice against war and genocide on the soil of the former Yugoslavia, a war in which around 200,000 people have died thus far, with around half a million wounded, nearly two million exiles and refugees, thousands of villages burned down, and hundreds of cities devastated. Despite this, there is still no end in sight to the barbarism of war. For this reason, we once again call on academies all over the world and

on the international community to halt the bloodshed vigorously, energetically, and as soon as possible, because the aggressors—Serbia and Montenegro—will not do so," reads the HAZU appeal to all academies of science and art and to international public opinion.

"It is superfluous in this appeal to interpret the causes, roots, genesis, and course of the war—numerous international institutions have done this.

"It is superfluous here to put forward documentation on the savage destruction of everything—that has already been done by many of the world's governmental and nongovernmental institutions.

"It is superfluous to prove who is responsible for this horrible war—this has already been done by the European Community, the CSCE, and the UN Security Council through their proclamation of Serbia and the former JNA [Yugoslav People's Army] as the aggressors.

"On this occasion, however, we want to stress that the international community has missed a number of opportunities to smother the focus of the war, beginning as early as 15 months ago, when the war broke out. Then, at the beginning of the war, the aggressor and the victims were only republics of the former Yugoslavia. Today, however, a large number of new actors are involved in this Balkan conflict in some way or another—all the neighbor-states of the former Yugoslavia, all the countries of the European Community, all the countries of the CSCE, the countries of the Islamic Conference, and finally, the United Nations.

"From the beginning of the crisis in the former Yugoslavia to this very day—and this will continue to be the case until this war is over—Serbia has been the main actor in the sense that it, together with the former JNA and Montenegro, launched and today is waging a war of conquest under the slogan 'all Serbs in one state.'

"In order to accomplish this, it has conducted aggression against three other states—Slovenia, Croatia, and B-H [Bosnia-Hercegovina]—because without that it cannot achieve its war goals. The international community has condemned Serbia as the aggressor and the party responsible for the Balkan war many times, but thus far it has not undertaken corresponding measures, which has permitted Serbia to largely achieve its war goals by conquering large amounts of other people's territory. We have witnessed a further escalation of the aggression and increasingly frequent crimes against humanity and international law and war crimes first in the territory of Slovenia and then in the territory of Croatia and Bosnia-Hercegovina.

"We direct this appeal to you because we believe that everyone is equally ardent is supporting the generally recognized and fundamental principles on which international order is based:

- "That all people have the right to live where their home has always been, and that no one has the right to expel them from there;
- "That the identity of every internationally recognized state must be respected;
- "That borders cannot be changed without the consent of the affected states;
- "That no one should gain from violating international law.

"With respect to these principles, we urgently need the assistance of the international community.

"1. Stop the aggressor. It is necessary to bear in mind that the former JNA was the number-four military force in Europe with respect to weaponry, and that Serbia managed to usurp this force, with practically all the weaponry that was acquired with the resources of all the nations of the former Yugoslavia. The victims of aggression are not capable of stopping this military machine of the aggressor with their own forces.

"2. Offer Bosnia-Hercegovina, as a subject of international law and member of the United Nations and as a state with its own borders and population, definitive and determined assistance in preserving its territorial integrity and the security of all its citizens.

"3. Implement the Vance Plan for disarming paramilitary formations in UNPA [United Nations Protected Area] zones and ensuring the return of exiles to their homes in the territory of both the Republic of Croatia and the Republic of Bosnia-Hercegovina.

"4. Establish normal coexistence among Croats and those Serbs who live within the Croatian state borders. Regardless of everything that has happened, we are willing to support guaranteeing for Serbs in Croatia the full rights accorded them by the Constitution and laws of the Republic of Croatia in accordance with international principles concerning ethnic minorities.

"Finally, we draw attention to the fact that after this bestial war and its massive crimes, it will hardly be possible, without the assistance of the international community, to reestablish coexistence between the belligerent nations and ethnic communities on the soil of the former Yugoslavia. One must bear in mind that these nations face the historic problem of making the transition from an inherited, totalitarian regime and of building a democratic society. This process will not be possible without the all-embracing assistance of the international community.

"In the name of peace and freedom, in the name of humanism and progress, we appeal to international public opinion to demand that their governments do what they are mandated to do under the UN Charter and other documents of the international community."

Federal

Yeltsin Sends Message of Support to Panic

LD1812013192 Belgrade TANJUG Domestic Service in Serbo-Croatian 2134 GMT 17 Dec 92

[Text] Belgrade, 17 Dec (TANJUG)—Russian President Boris Yeltsin said in a message for Federal Prime Minister Milan Panic this evening that he supported his policy of peace and democracy, convinced that positive steps of the Yugoslav Government would help Yugoslavia overcome international isolation and contribute to the abolition of sanctions.

According to the statement of Milan Panic's cabinet, the federal prime minister this evening received Russian Ambassador Genadiy Shikin to Yugoslavia, who conveyed to him a personal message from Boris Yeltsin.

The president of the Russian Federation also expressed his gratitude to the federal prime minister for supporting his policy of radical democratic changes in Russia and for his attitude to Yeltsin's efforts to resolve the Yugoslav crisis.

Boris Yeltsin also expressed concern about the latest developments in former Yugoslavia and around it, assessing the elections on Sunday as "an important landmark in the life of the FRY."

"I feel it necessary to stress that Russia was and will remain loyal to the policy of overall political solution to the Yugoslav crisis and that it advocates a balanced and objective attitude to all sides in the conflict," Yeltsin said in his message. He also expressed the conviction that the policy of constructive cooperation with the international community and concrete steps toward peace and democracy and toward halting bloodshed in Bosnia-Hercegovina "will always find a positive response in Russia."

At the end of his message, the Russian president said that such a policy "will help the friendly people of Yugoslavia overcome the present difficulties and international isolation and lift the sanctions."

Yugoslav Foreign Minister Ilija Djukic, who attended the meeting between Prime Minister Panic and Ambassador Shikin, assessed President Yeltsin's message as a confirmation that Russia is interested in a just and peaceful solution to the Yugoslav crisis and in the readmission of Yugoslavia in the international community. According to Djukic, the message demonstrates Russia's interest in playing the important role in the territory of the Balkans and southeast Europe, which is its due.

This support, he said, is all the more important for the fact that Russia plays an important role in the process of abolishing sanctions against Yugoslavia and restoring Yugoslavia's status in the world organization.

General Panic Meets With Russian Delegation

LD1812061392 Belgrade TANJUG Domestic Service in Serbo-Croatian 2011 GMT 18 Dec 92

[Text] Belgrade, 17 Dec (TANJUG)—The chief of the general staff of the Yugoslav Army, Colonel General Zivota Panic, and his aides, received a parliamentary delegation of Russian patriots, friends of the Serbian people, the chief of the general staff's information service announced.

The delegation was led by Mr. Yuriy Malinchev and one of its members was the well-known cosmonaut Aleksey Leonov.

During a cordial and sincere conversation, the two sides examined all major issues regarding the status of the Serbian and Montenegrin people in conditions of unjust sanctions, unsubstantiated pressure, and threats of Western military intervention.

The interests of the Russian and Serbian and Montenegrin people—with respect to the struggle for survival—were assessed as identical, and they confirmed that no sanctions could ever block or prevent friendship between them or their joint struggle for survival, we read at the end of the statement of the Yugoslav chief of the general staff information service.

Panic Faces Charges Over Release of Croats

LD1712223392 Belgrade TANJUG in English 2206 GMT 17 Dec 92

[Text] Belgrade, December 17 (TANJUG)—Criminal charges have been filed at the fourth district court in Belgrade against Yugoslav Prime Minister Milan Panic for the release last August of a number of war criminals in a group of 1,200 Croat soldiers captured in the 1991 war between Serbs and Croats in Croatia. The charges were filed by the family Ciric from Vukovar on the grounds of 'involvement in murder.' Petar Andjic, president of the association for the protection of rights of relatives of the victims from that town in eastern Slavonia, told reporters in Belgrade. He added that a million-dollar compensation for each civilian killed was being claimed.

Criminal responsibility for Panic, who is running as candidate for the Serbian Presidency in the elections set for December 20, was demanded at the height of the election campaign. 'The group of released Croat soldiers included 97 proven ustasha criminals, who had carried out a massacre over 1,300 Serbs in Vukovar and Borovo Naselje, in eastern Slavonia,' said Andjic. The fiercest battle of last year's war, which broke out over Croatia's secession from Yugoslavia and the downgrading of the Serb people to the national minority status, was the one for Vukovar, a town with a majority Serb population. 'According to our knowledge, the top federal leadership sent a message over telefax to Panic at the Geneva conference on July 22 this year, with a warning that the exchange of prisoners was unconstitutional,' said Andjic.

Last summer in Geneva Prime Minister Panic and Croatian Prime Minister Franjo Greguric reached agreement on an exchange of prisoners of war on the 'all-for-all' principle. Andjic said that charges had also been filed against Yugoslav Government members and three judges of the military court in Belgrade. The family Ciric has engaged two attorneys from Germany who are also registered in San Diego, California.

Panic Says Bloodshed in Kosovo Can Be Averted

LD1712142592 Belgrade TANJUG in English 1227 GMT 17 Dec 92

["Pool" item]

[Text] Buenos Aires, Dec 17 (TANJUG)—Yugoslav Prime Minister Milan Panic said that there would not be bloodshed in the Serb province of Kosovo and Metohija as in Bosnia, that there were chances of lifting the sanctions against Serbia if there was a democratic change in the country, i.e., if he is elected Serbia's president.

In an interview carried by the Argentine weekly EL ECONOMISTA, Panic said the chief political priority after the elections was to have Serbia and Yugoslavia restore their position in the world.

"The priority is lifting the sanctions as political measures against our people and democratic elections are a precondition for that," Panic said and added that certain leading states said they would initiate the lifting of the sanctions if the December 20 elections prove democratic and fair.

Panic said the rumors of Kosovo and Metohija's secession were "only a part of the election and overall political manipulations.

The whole world supports Kosovo and Metohija as an integral part of Serbia and Yugoslavia," Panic said. "I want to take advantage of the current peace in Kosovo and the world's support of Kosovo as an integral part of Serbia and conduct a dialogue with Yugoslavs of Albanian origin living in Kosovo so that the problem of Kosovo could be permanently resolved within Serbia."

Ethnic Albanians make up the majority population in the southern Serb province of Kosovo and Metohija, since the Serbs, pressured by Albanian separatists, have emigrated to proper Serbia. The former Communist authorities had turned a blind eye to this forced emigration of Serbs from Kosovo.

A strong ethnic Albanian separatist movement has been active in Kosovo for a number of years now. The movement strives to secede the province from Serbia and annex it to neighboring Albania. Ethnic Albanian leaders, however, are trying to justify their secession by claiming their human and minority rights are threatened. They reject any kind of agreement with the Serb and Yugoslav authorities on any problems.

"There are conditions for a dialogue, it is already under way and I am sure there will not be bloodshed in Kosovo—Kosovo will never be Bosnia," Panic said.

Hurd on Possible War Crimes Tribunal

LD1712172592 London ITV Television Network in English 1900 GMT 16 Dec 92

[Interview with British Foreign Secretary Douglas Hurd by correspondent Nick Gowing in Geneva on 16 December; from the "Channel 4 News" program—recorded]

[Text] [Amnnouncer] A short time ago, in Geneva, Nick Gowing asked the Foreign Secretary Douglas Hurd what will happen to those named today in Mr. Eagleburger's [U.S. Secretary of State] document?

[Hurd] It's a list of people whom they think have questions to answer. There isn't a tribunal yet. We're in favor of setting up a tribunal and looking at the evidence which has been accumulated. That's the first step.

[Gowing] But the fact remains surely, that now the diplomatic gloves are off, essentially Milosevic [Serbian president], Karadzic [Bosnian Serb leader], and a whole raft of people have now been named in a document which is now public knowledge. By association as much as anything else they have been named as war criminals.

[Hurd] They have not been named as war criminals. What Larry Eagleburger said was that they had questions to answer. They have many questions to answer about the whole policy which they have pursued. The first thing is to get the fighting to an end, but people during the fighting, right from the top right down to the bottom, have to realize, just as the Iraqis had to realize, that they are personally responsible for the things that they do, or the orders which they give. I think it's very salutary that people should realize that.

[Gowing] How do you feel though now about the possibility—Lord Owen has said today the prospect of having a negotiated settlement still remains open—how do you feel about that prospect of having a negotiated settlement when the United States—Lawrence Eagleburger—has said Milosovic and Karadzic have systematically flouted agreements to which they have solemnly and cynically given their assent.

[Hurd] I think everybody who spoke agreed that the Serbs need to be given a last chance and a last warning. They've got elections next week. Those elections may spill over into January, there may be a run-off, and what we're saying out of this meeting is what we've said out of Edinburgh, that now is the time for them to change. If they change they'll be welcomed back; if they stay with the policy which is still creating the greater part of the misery, they're not solely responsible, just as they're not the only people named as having to answer questions over atrocities, there are others involved, but they are mainly responsible, and they have a chance now. If they

miss that chance then certainly in my view, and indeed it was my proposal, that they, Serbia will head for total isolation.

[Gowing] The Edinburgh communique said very clearly the community and the Western world now feels it must endorse the sternest possible measures. How many more days, how many more weeks will it be before you actually do take those stern measures?

[Hurd] There are stern measures there already, so the first thing is to make sure that those measures are actually applied. There's been cheating and conniving and sanctions breaking. Now you don't need to wait for stiffening that up, and I made a proposal today that we need a man, or someone, whose main job is to do that, not a committee which meets for a week or so, but somebody whose job daily is to look at all the reports which flow in of sanctions breaking and plug those holes. Then, if the Serbs continue to defy what they promised to do, then we will have to move, in my view, in the community's view, to the total isolation of Serbia, and I set out today what that involves. It involves in effect, the sealing of frontiers.

Ministry Protests Foreign Influence on Elections

LD1712150192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1204 GMT 17 Dec 92

[Text] Belgrade, 17 Dec (TANJUG)—The Federal Ministry of Information today issued the following statement on behalf of the Federal Government:

"Immediately before the elections and during the election campaign, individual influential foreign politicians and statesmen voiced their views about the upcoming elections in the FRY. Messages of differing content were sent to the people of Serbia and Montenegro.

"The Yugoslav Government welcomes any friendly support and desire for a peaceful cessation of the war in Bosnia-Hercegovina, for a democratic transformation in the FRY, for the prosperity of the people of Serbia and Montenegro, and for a successful outcome of the crisis in the area of former SFRY. However, the Yugoslav Government cannot at the same time accept those messages, which represent an interference in the FRY's internal affairs.

"Some of the recent political messages directed toward the people of Serbia and Montenegro refer to their political and election affinities. At crucial moments in their recent history, the people of Serbia and Montenegro knew how to opt for the best political solutions, which affected their fate but without any influence from outside. Citizens of the FRY welcome friendly support and goodwill but resolutely reject any attempt to influence the outcome of internal political events."

'Illegality' Viewed in Cash Transactions

93BA0352A Belgrade POLITIKA in Serbo-Croatian 3 Dec 92 p 10

[Article by S. Vujosevic]

[Text] The shortage of cash is not only persisting, it is taking on ever greater proportions with every passing day. Little bundles of money are flowing into the banks and the vaults of the Agency for Settlement, but almost everywhere the amount that can be withdrawn in "cash" is limited. Painful scenes have become an everyday occurrence, but there is nothing that can be done, because there is still not enough money for everyone in the vaults of the banks and the branches of the Serbian Settlement Agency.

"We are still receiving from the National Bank of Yugoslavia much smaller amounts of money than those we need, and even the money we give out is not coming back," they say in the National Bank of Serbia.

Where the Money for Agriculture Ends Up

All the appeals of officials and attempts to make more use of other possibilities for payments, such as promissory notes, checks, and other credit transfer instruments, have been unsuccessful. By all appearances, the public has made a universal shift to payment in cash. One of the reasons for this is the lack of money and the fear of not being able to withdraw it.

Some surveys have shown that there is a great deal of illegality in the handling of cash.

Holding the daily receipts in the cash drawer, or in the pockets of private owners, is usually used to conduct various financial transactions and to buy and sell without leaving a paper trail. Many people have obtained money at the windows of the Agency for Settlement by saying that they needed to purchase agricultural products, but very often that cash ends up in other transactions. Even the best monitoring could not establish its ultimate destiny.

And then inspectors have discovered that various loans without interest are diminishing the value of account money. One private firm, for example, got 229.8 million dinars entered in its account on the basis of that kind of loan from three socialized firms, three private firms, and one mixed bank. The owner of the firm then went to the cashier's window of the Agency for Settlement and presented a check to withdraw 108.3 million dinars, assuming the obligation to use that money to purchase agricultural products, which made it possible for him to get the money. In the same way, the same private businessman withdrew 1.5 million dinars in "cash" for travel expenses and 800,000 dinars which are supposed to be in the cash drawer as petty cash. These are allowed items that make it possible to withdraw cash. This private businessman sent the balance in the account to various private firms as interest-free loans.

One private businessman in turn, having received an interest-free loan from one private businessman and one socialized firm, and an advance on goods from one private firm, built up 124.5 million dinars in his account, and then by presenting a check which said that the money was intended for the purchase of agricultural products, he withdrew 99 million dinars in cash. He withdrew another 22.5 million dinars from the account to pay off short-term loans to natural persons. At the end of this transaction, it was found that all 124.5 million dinars had been paid to natural persons as interest-free credit.

Interest—1 Percent

Savings depositors and various small banks springing up like mushrooms are also being used by many people to turn money in giro accounts into cash whose subsequent pathways and purpose are difficult to establish. One savings bank in Belgrade, which was established this July, has no employees, and has founding capital of 50,000 dinars which was never paid in, received 246.7 million dinars in its giro account after being in existence just one month. That money was paid in by five private firms as short-term credit at an interest of 1 percent per month. That money was turned into cash legally and in accordance with regulations, and then paid to some 15 individuals as credit for no specified purpose at an interest between 1.5 and 3 percent per month. One of these lucky people was even paid 102 million dinars!

It is not certain whether the persons to whom this money was paid and the owners of the firms that paid it into the giro account of the savings bank are closely connected somehow to one another, but in the end this idea does arise inexorably. To round off the whole matter in the same style, the savings bank earned on this piece of business a commission between 1.5 and 2 percent of the value of the entire transaction.

Two fellow citizens from Vrnjacka Banja derived a much larger gain from a similar transaction. Six banks, four private firms, and one private businessman paid 467.9 million dinars into their passbook savings accounts in a savings bank. They then withdrew that money in cash as their savings.

There are quite a few of these examples, and there are also others. They probably provide the most accurate answer as to why there is less and less cash at official places and more and more on the street, in the pockets of those engaged in the "gray economy."

Assembly Debates Proposed Law on Army

93BA0352B Belgrade POLITIKA in Serbo-Croatian 3 Dec 92 p 10

[Article by B. Matic: "Unacceptable Large Powers of the Federal Government"]

[Text] The proposed version of the law on the Army of Yugoslavia [VJ] and also the proposed version of the law on defense have entered parliamentary procedure just before the session of the federal parliament announced for 9 December, when they are to be adopted. The committees for defense and security of the Citizens Chamber and Chamber of the Republics had major objections to the former piece of legislation in yesterday's session. The most important criticism was expressed by Radmilo Bodanovic (SPS [Socialist Party of Serbia]), who said that in a large number of articles unacceptably large powers have been given to the Federal Government and the federal defense minister. The other objections had to do with the organization of trade unions in the Army of Yugoslavia and certain status issues related to the position of civilians employed in military institutions.

The meeting of the main committees for this subject matter was chaired by Jugoslav Kostic, president of the Citizens Chamber, and the introductory remarks were presented on behalf of the government of the Federal Republic of Yugoslavia [FRY], as the proponent of this law, by General Ljubomir Domazetovic. As he put it, the main point of departure in adoption of this law was the FRY Constitution, in which the Army is treated, he said, briefly, but also rather clearly, as an independent "constituent element of society whose design, organization, life, work, behavior, material support, and financing, as well as control and command," are regulated by this law. As far as the Army is concerned, the proponent was precise, there are no other earlier laws than the Law on the Army of Yugoslavia except the Constitution.

In any case, this law regulates subject matter previously regulated by six laws. The confidence with which Gen. Domazetovic said the changes in organization of the Army have been carried out and that the Army has been enabled to "perform its constitutional function" is encouraging. "After three wars were waged and an army was created in Krajina and the Serbian Republic, the Army of Yugoslavia was created in a very short period of time," the general said, and then in the initial debate he was still more precise: "Our Army did not disintegrate like the Russian Army, without a shot, but we waged three wars and created three armies." It is also encouraging to hear the general's statement that the Army of Yugoslavia has been made capable "from the standpoint of organization and mobilization," which, he says, was an immense job, "to grow in the shortest time into a powerful force which can effectively oppose aggressor's against Yugoslavia."

Emphasizing that under the Constitution the Army of Yugoslavia is commanded in peacetime and wartime by the president of the republic in keeping with decisions of the Supreme Defense Council, through the General Staff, Domazetovic particularly emphasized that "there is not, nor can there be, any piece of legislation or procedure outside the Army which leaves the framework of the prescribed principles of command and which might be adopted by any other federal body to be carried out in the Army of Yugoslavia, when it has not been given that competence." The FRY Government,

according to him, when it approved the draft of this law, was unable to accept certain objections of the Army of Yugoslavia which had to do with the broad powers of the Defense Ministry as compared to the Army and its General Staff. In other words, the government was explicit that the powers of the ministry and federal defense minister remain as they were stated, "although there is not a word about this in the FRY Constitution." The journalists to whom Gen. Domazetovic's introductory speech was distributed were able to see that this "addition" on the power of the Federal Defense Ministry and defense minister, "although there is not a word about this in the FRY Constitution," had been written in subsequently.

In any case, a sizable number of amendments to the proposed version of the law on the Army of Yugoslavia have been presented, some of which bear on essential issues. In the course of yesterday morning, the amendments did not come up for debate, and the debate on them was postponed until the various provisions of the law are debated. It is anticipated that the committees of the Assembly will complete that job and also the debate on the proposed version of the law on defense before this day is over.

Government Assesses Economic Situation

93BA0339B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 23 Nov 92 pp 20, 21

[Article by Tomislav Dumezic: "The Economy After the War"]

[Text] *The Federal Government's stabilization program is very similar to the reform program that Ante Markovic carried out; Markovic's reform failed because of the dominance of social property, the contrary interests of the republic leaderships, and the country's inadequate financial system; what is the situation like today?*

The Federal Republic of Yugoslavia [FRY] consists of only two republics. Opposite interests and opposite views between the Federal Government and the republic authorities, however, are no less evident than in the former SFRY. Even though only two republics are involved, their views of the future economic system are clearly opposed. There is also a very definite antagonism between the views of the Serbian Republic's Government and the FRY Government. That is one of the reasons why Ante Markovic's reform failed.

Social property is still dominant. In quantitative terms, there are no essential differences compared to the ownership structure of the former SFRY's economy. According to data from the final accounts for 1991, social capital, including shares and permanent investments in social property, is over 93 percent of the total nominal capital of the FRY economy. If private enterprises in which the capital of an individual owner is dominant are excluded, almost the entire economy is socially owned. The same basic motives are still in effect—maximizing consumption in the form of maximizing employees' wages and other benefits (warm meals, compensation for transportation expenses, social benefits, etc.). Enterprises with this kind of ownership structure naturally cannot be oriented toward maximizing profit. It follows from this that economic policy measures also cannot yield the results that could reasonably be expected to be achieved in countries with a market economy, in which private property is dominant.

Collapse of the Banking System

Banks are not essentially different in comparison with the situation two years ago. It could be said that their financial situation is even more unfavorable now. Their obligations to foreign creditors and domestic physical persons have not been reduced, but have been considerably increased by unprofitable investments in socially owned enterprises. Those investments are not only in the form of long-term and short-term loans. The unique property transformation carried out under the auspices of the Serbian Republic's government has led to the transformation of a number of unprofitable loans into equally unprofitable ownership shares in the enterprises with "restructured ownership." The creditworthiness of otherwise bad investments has not been made any worse by this; the banks only renounced income from the interest, which was accounted for in one way or another as long as these present investments, or shares, were long-term and short-term loans.

In addition to the fact that there have not been any positive changes in the relationship between the republics and the republic and federal authorities, in banks and enterprises the present situation is considerably more unfavorable financially than in 1990. It follows from this that it is not realistic to expect economic stabilization and emergence from the crisis on the basis of implementing a traditional stabilization and anti-inflation program. This has to do with financially devastated enterprises, banks whose losses amount to several billion dollars, an army of the unemployed which is larger than the number of people employed in the economy and public services, the political and moral consequences of the war, the developed black market, the organized mafia, and terror against the unarmed, probably under the auspices of the legal authorities, who are not undertaking anything that would lead to establishing legal order and the personal safety of citizens and the safety of their property.

The FRY Government has a realistic view of the economic situation in 1992, as shown by the document it prepared under that name. Hyperinflation, the basic cause of which is the uncontrolled issuance of money, is noted. It is noted that the federation's budget is almost entirely supplied from the issuance of the National Bank of Yugoslavia. Also, money is even issued outside of the legal issuance channels, and so a large part of both public and personal spending is financed from the issuance. In the government's opinion, this kind of behavior has been influenced by several factors—in first place, the halved

production and social product. The reduction in production has led to a lack of investment demand. The war has led to the collapse of the entire infrastructure, and production has also been affected by the policy of the republic authorities, which already interrupted normal economic flows with entities in other republics a long time ago. The economic blockade measures have also contributed to the further decline of production, and the trend is toward an increasingly accelerated decline.

Deliberate Hyperinflation

In the opinion of the FRY Government, the economic situation at the beginning of fall is assuming the dimensions of an economic catastrophe. That catastrophe is characterized by hyperinflation with a monthly rate of inflation over 50 percent, while annual inflation is measured in tens of thousands of percent. Another characteristic of the catastrophe is the drastic reduction in production. The number of people unemployed, and people on forced leave, is growing drastically, while the number of people living on social benefits is increasing. The drastic reduction in the country's social product is reducing possibilities for the redistribution of income, i.e., not only for increasing social benefits, but even for maintaining the level that has been reached.

The only way to finance social peace is to issue money, thus drastically accelerating inflation. Naturally, the extent of the uncontrolled issuance of money is limited both qualitatively and temporally. The current authorities are apparently assuming that there will at least be results before the elections. That is why the so-called guaranteed personal incomes, but also pensions and other social benefits, are being increased. Thanks to the spending of the population's reserves in the form of cash foreign money, inventories have been formed which can withstand the pressure of the constantly growing amount of dinars, i.e., the citizens' nominal buying power, until the end of the year. It is clear that after that a collapse and an open transition from the dinar as a general-purpose coupon to specific-purpose coupons will occur.

In the assessment of the fulfillment of Yugoslavia's payment balance for 1992, a drastic reduction appears in the foreign exchange reserves. The foreign exchange reserves were mostly reduced during the first half of the year, i.e., before the time that the economic blockade measures were introduced. After that, the FRY has had a trade deficit in relations with foreign countries. It is being covered, however, by drawing cash foreign money from the reserves of the Yugoslav population.

The government estimates that next year the FRY will be short of financial resources to the extent of $3-4 billion. This shortage would exist in the event that the economic blockade measures are lifted. It would have to be compensated for by adequate financial support from the IMF and the World Bank, accompanied by support from commercial banks and foreign investors.

The government notes that there is no capital for investment, and that amortization funds are being fully used for current consumption. It also notes that most of the banks are fit for bankruptcy. Naturally, the government is not choosing that solution and is initiating ways to rehabilitate the banking system, including ownership transformation. Naturally, this solution is also far from reality. It is noted that legal order is not functioning in the financial sector and that monetary control does not exist. Also noted is the problem of public spending, which now has a share of over 70 percent in such a reduced Yugoslav social product.

How To Reduce Public Spending

According to the stabilization program, public spending should be reduced to about 40 percent of the social product. It cannot be said that this is not a realistic commitment from the standpoint of the needs, or from the standpoint of creating possibilities for enterprises to function normally. The problems are different in nature.

The total number of employees who are actually working in the FRY at the end of the year will be less than 1 million. It follows from this that about 1.5 million unemployed people will have to receive social assistance. The same thing applies to approximately the same number of retirees. The level of productivity of employees in Yugoslavia is extremely low. Can they support such a number of unemployed people and the recipients of old age, invalid, and family pensions?

In the second place, the FRY is counting on an extremely large police apparatus and a strong army. In accordance with the desires and past practice of the republic authorities, at least 20 percent of the FRY's social product should be allocated just for the army and the police. Can all of the unemployed population, pensions and disability payments, health care, education, and other activities of special interest, where rights to the free use of their services have already been established, fit into the remaining 20 percent?

The program proceeds from the establishment of a fund for social benefits, the level of which would approximately correspond to 4 percent of the FRY social product. Under normal conditions, this would perhaps be a satisfactory amount. In the conditions that will exist at the beginning of 1993, nothing can be done with that amount.

A certain restriction on wages for those employed in the social sector is certainly inevitable. Is the restriction projected by the FRY Government, however, enough, in which most of the inflation is nevertheless attributed to the employees? The essence of the problem is that not even the million people employed in the economy can earn their pay because of the low level of production, low-quality products and services, the reduced market, the lack of competition.... It follows from this that under normal conditions one should also take into account the fact that the socially owned enterprises also represent budget-supported organizations, for which, in the final analysis, the National Bank of Yugoslavia provides the

money for survival through commercial banks. It is not possible to emerge from the crisis in that way.

Life under hyperinflation conditions is not possible either. The Federal Government's commitment to stabilizing the national currency, and forming and maintaining a stable exchange rate for the dinar, is the only possible solution. The problem, however, is that that goal cannot be achieved by the means presented.

The Dinar Is Not Money

The national currency no longer has the basic characteristic of money. Money, in fact, is a general equivalent that is acquired in the market on the basis of selling labor, goods, services, or capital, or on the basis of taxes and contributions (the public sector). In Yugoslavia, sociopolitical communities are no longer supporting themselves primarily through taxes and contributions. Most consumption is being directly financed from the issuance of the NBY and the national banks of the republics and provinces. The use of the national banks' issuance earnings is also being reduced to the primary issuance of money.

For the most part, enterprises are not determining their spending within the limits of the total earnings achieved on the basis of sold products and services. At most firms, spending is being financed through loans from commercial banks, which originate in loans from the NBY's issuance. Accordingly, not even the enterprises are acquiring money (primarily) on the basis of the sale of products and services in the market. They are also included in the general system for distributing dinars, on which the decisions are made, in the final analysis, by the state authorities.

Most of the citizens who are receiving personal incomes are not working. Wages are received on the basis of coming to the enterprise, or even without that—when forced leave is used. Consequently, the dinars obtained in the form of wages are not compensation for sold labor. It follows from this that the dinar is not money: It has become a general-purpose coupon for which one can still obtain almost all products and pay for services. Why?

The dinar is a coupon through which the state is buying social peace, because it distributes it according to need, and it determines the priorities itself. The question arises of why there are still goods on the market that can be bought with dinars. The answer is simple—goods originate from real money, because in the final analysis, that is how they are paid for. Real money is the cash foreign money that citizens sell on the street, in exchange offices, or deposit as savings in banks (private ones) which pay interest that cannot be earned under any circumstances. It is clear that the interest is being paid from new receipts, just as it is clear that there has to be an end to everything, including citizens' reserves of cash foreign money. It follows from all of this that the dinar today has two basic functions for the republic authorities: In the first place, the dinar is a means of buying social peace (which can only be achieved temporarily), and in the second place, the dinar is a means of taking real cash foreign money away from the citizens. That is how these states are obtaining foreign exchange.

Postwar Economy

Even though a war has not been waged on the territory of the FRY, its economy bears all the characteristics of an economy that has been destroyed by war. Economic policy measures during the period after the end of the war have to proceed from this very fact.

That the effect of the war is involved is indicated by the following facts: The FRY's social product, which was already low and somewhat lower than the average that the former SFRY achieved, has been reduced by about 60 percent; during the same period industrial production, in which the level of productivity was extremely low anyway, and the quality of products was not competitive in the world market, has been reduced by about 66 percent; foreign trade has virtually died, and long-term ties with business partners in the former Yugoslav republics have been broken off. The number of people who are receiving money without working has been multiplied tenfold in comparison with the situation in 1989, and income from so-called interest on foreign money and income from smuggling represent the main sources of income for at least 10 percent of the FRY's population. The number of armed military, police, paramilitary, and private organizations and citizens is extremely large, and unfortunately they are obtaining income precisely because they are armed. There cannot be any economic stabilization without disarmament and the creation of a law-governed state. This means that the army has to be reduced to at most 40 percent of the number of soldiers in the former SFRY (that was these two republic's proportion of the former SFRY). The police should also be reduced by about 70 percent, to be brought down to the normal level that they were at five or six years ago. Citizens should be guaranteed effective personal and property security.

Another group of changes applies to the economic system. The first change has to be the rapid, effective, and complete privatization of social property in most economic activities. The concept of privatization has to be such that it satisfies the basic social demands (it has to be fair, which means that the ownership structure has to be broad, and encompass at least all employed and all former workers in socially owned enterprises); in the second place, privatization has to satisfy economic criteria. It follows from this that the owners of current socially own firms would have to be outside physical and legal persons, either domestic or foreign. This, in fact, is a precondition for the establishment of successful administration and management. Otherwise, if the exclusive or dominant owners are people employed at the enterprise, the basic motive of maximizing wages and total current spending is still dominant. Only an enterprise that is motivated by maximizing profit is efficient.

Changes like this presuppose a change in the ruling political structures in both republics. The current authorities are tied to so-called socialism and social property, because it is only in those conditions that they can play the owners who distribute other people's relatively worthless money in order to buy support and social peace. Foreign assistance, primarily financial, is also needed. One cannot expect an influx of new foreign capital, however, unless these two preconditions are first resolved: a change in the political system and a radical change in the economic system.

Article Examines Panic Cabinet 'Crisis'

93BA0345A Zagreb NOVI VJESNIK in Serbo-Croatian 1 Dec 92 p 2

[Article by Vlado Ralc: "Resignations and War"]

[Text] The resignation of Oskar Kovac and two other ministers has brought about the first real crisis of the Panic cabinet. The test of confidence in the so-called federal parliament was weathered with the Montenegrin support that is now well-known, but when it became clear that the leader's showdown with Panic would not end there, it was clear that the blow would have to come from within. Kovac's departure has confirmed this. First, he actually never was Panic's man, but was Milosevic's man, nor was Panic's federal conception the authentic intellectual outlook of this former minister. Kovac has never departed from the concept of the "three fingers," and he has proven this with his resignation.

Panic now enters the election campaign "without a cabinet," which affords his opponent, Milosevic, abundant opportunities to ridicule him. In the poisoned media and intellectual relations in Serbia, this is a terrible advantage. Second, Panic's candidacy supported by 10,000 student signatures relies on a population which does not want to be cannon fodder, but the big question is how it will fare with the "traditional Serbian electorate," in which soldiers are not merely a key agitator, but also evidence of "concern" for the Serbian ethnic habitus? By the nature of things, university students are economically dependent on their families, they have altogether different political outlooks, and that is why it is not very likely that those who signed Panic's nominating petition will also be voting for him. There will be financial coercion in towns whose license plates are not those of Student City, where everything can seem revolutionary.

Taken as a whole, the news from Belgrade concerning the election is not good for those who favor extinguishing the fires of war as soon as possible. Neither Panic nor anyone else in the election campaign has the status of a candidate who might erase from the ballots Milosevic's influence on Belgrade's belligerent option at the moment. So long as that is the case, we have to prepare for him to win once again. Actually, as far as the destinies of other people in the former Yugoslavia are concerned, we have to prepare for a new phase of the war.

Serbia

Panic, Opposition Leaders Address Belgrade Rally

AU1712214892 Belgrade RTB Television Network in Serbo-Croatian 1815 GMT 17 Dec 92

[Report by Zeljko Avramovic]

[Excerpts] [Begin recording] [Avramovic] The final electoral rally of the opposition held on the plateau outside the Federal Assembly in Belgrade started shortly after 1500 with a speech by [Yugoslav President] Milan Panic, candidate for the Serbian Presidency:

[Panic] By attending this big rally, you have demonstrated in the best possible way that the Serbian nation through its list for democratic changes wants changes. [cheering] Thank you for responding to my call, the call by one of the candidates for... [cheering, a voice swears at Panic] You cannot speak to me, I will speak to you! [cheering, Panic laughs] Then you say Milan the Serb, or add something, Milan whatever. Enough, enough, enough (?please). [voice in the background says: Shut up!] I want to speak to the Serbs and the transformed Serbian nation. If you want to speak to me, then come to my house. [Panic laughs, a voice in the background says: Who is he?]

Here you have a candidate for the Serbian Presidency who was born in Belgrade. You have responded to my call, a call of the candidate that possesses a decree by the Supreme Court that he is a Serb. [cheering] I am the only Serb that has a decree [words indistinct].

[Avramovic] Belgrade residents were then addressed by Matija Beckovic who said that this is Serbia, whose face cannot be seen because of the ruling masque.

[Beckovic] This is not a political, but a salvation and liberating movement. It is less of an opposition than a negation of the communist rule this country is reeking of. [cheering, whistling] That is why the best candidate for this position is the man whom authorities fear the most and the people the least.

[Avramovic] [passage omitted] After Cedomir Mirkovic, Dusan Mihajlovic, and Vesna Pesic, the residents were addressed by Vojislav Kostunica:

[Kostunica] These are not ordinary elections. These are elections like those being held in democratic countries. Communism cannot be undermined and brought down only by casting a vote in the box. Our struggle started before 20 December and cannot stop on 20 December. This struggle will go on as the evil that communism is leaving behind; this destruction, destruction in human souls, is something that is most difficult to repair.

[Avramovic] The penultimate speaker was Vuk Draskovic, president of the Serbian Renewal Movement. If the opposition wins, he said, destruction will be substituted by construction, hatred by love, war by peace, and death by life. [passage omitted] Finally, the residents were addressed again by Milan Panic:

[Panic] I am convinced that you are in favor of changes. [cheering] (?This) is your national program. The people know that we should not thrust a fist at the world, but accept the extended hand and change the irrational policy and unsuccessful system. We do not want to undermine this system, for it has collapsed itself because it was rotten, because it has rotted out. I will tell them openly that the national and state interest of Serbia and the Serbian nation is that they personally together with the Socialist Party of Serbia descend from Mars. [shouting, whistling] This is the national interest of our country.

We are now receiving substantial support from the world in our democratic process. Support is good and every country needs it. We need the support of the people at the elections. It is the people who will elect the president and the deputies, not the foreigners, as they say. Those abroad cannot vote for us.

I will ask them whether a weak and isolated Serbia that is rejected and unrecognized by the world can help the Serbs in the Krajinas, Croatia, Bosnia and elsewhere in the world. Naturally, it cannot. [Words indistinct] until the forces of darkness leave the political scene. Happy holidays to (?people throughout Serbia)! Happy future, happy future!

And now, some of the messages that were not written for me. I wish to thank all the young people, the students who supported me. Young people—different than what others have been presenting you—I hope that you will take your grandfathers, grandmothers, mothers, and fathers to the elections! Tell them to vote for the future and not for the past, not for worthless pensions, but for pensions that will be worth something, which we will give them.

[Avramovic] [passage omitted] Although the meeting passed in peace, the cameraman for Belgrade Television was attacked and hit twice. [end recording]

Milosevic Addresses Rally of 50,000 People in Nis

AU1712193392 Belgrade Radio Beograd Network in Serbo-Croatian 1800 GMT 17 Dec 92

[Report by Dragan Dimitrijevic from Nis]

[Text] [Dimitrijevic] About 50,000 citizens of Nis gathered on Trg Oslobodjenja [Liberation Square] to give a frantic welcome to President Milosevic of Serbia. The folk from surrounding villages were also among the citizens. The miners from the Majdanpek mines came by special buses, as did the Negotin people and many others.

Thousands of people cried a message to the president of the republic: We will not give up Serbia. He replied: Do not worry. We will not give up Serbia. President Milosevic then said:

[Begin recording] [crowd cheers] Citizens of Nis, allow me to give you a hearty greeting. I am very happy to be again in this city from which I always return with impressions of strong patriotic and freedom-loving feelings and a strong patriotic and freedom-loving spirit. [crowd chanting: We will not give up Serbia] I agree. Do not worry. We will not give up Serbia. How could we give up Serbia when we have no other homeland? The world powers can go elsewhere, but we have to keep Serbia because it is our only homeland.

The people in this region have evil memories of the presence of conquerors in this region and the great bestialities committed by all those from outside and their servants and domestic traitors who attacked our people and tried to destroy them. No battle, [cheering drowns his words] no battle for freedom has ever passed by southern Serbia, this Nis region. That is why I am convinced that the people of this city and the people of this region will not hesitate to do everything to make sure that it never happens again. That is why our greatest interest and objective is to preserve peace. We can do that by leading the same policy as we have so far as, in the agony of the Yugoslav crisis, we have managed to save Serbia from war and at the same time we have shown great solidarity with the Serbian people outside Serbia at the moment when they needed it and when they could not have survived without it. [crowd cheering]

That is the policy of defending our state and national interests that we will not desert, nor have we the right to do so, under any pressure. We are again being threatened by the world powers. They are trying to frighten us so that we will start behaving frightened according to the measure of their interest. [sentence as heard] We cannot act according to somebody else's interest, although we will respect every other interest, respect it and save it. But we will act according to Serbia's interests, the interests of all its citizens and the Serbian people. [crowd chanting: We will not give up Serbia] You do not have to repeat that. We will not give up Serbia. You can be sure of that.

This country has been tested for decisiveness and courage many times in its history. We are again being put to the same test, and the outcome depends on whether we become a new Balkan colony or develop freely; standing upright, unbent; free not enslaved; according to our own will, not by dictate of the world powers. [crowd cheers]

I am convinced, citizens of Nis, that the people of this region [crowd cheering: Slobo, Slobo] will contribute as they have contributed before to the accomplishment of this policy, a great contribution to the development of our country and that, together with all other citizens of Serbia, they will make sure that we continue developing

as a free and successful country. [crowd cheers] Rest assured that there will be no reasons, there can be no reasons for us to accept doing anything that is not in the interest of our country and people. We have found great support for this by the Serbian people and all citizens of Serbia throughout our travels today, and everywhere we have been recently. Be assured... [Milosevic interrupted by cheering] Be assured that we will not betray these expectations and this trust. I leave you with that, and I wish you every success, and all the best. Citizens of Nis, long live Serbia! [crowd cheers] [end Milosevic recording]

[Dimitrijevic] I should say at the end that the participants in the rally prevented the attempt by a smaller group of supporters of the opposition to create disorder in the gathering which, as we have said, was attended by over 50,000 citizens.

Visits Pec

LD1712193792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1255 GMT 17 Dec 92

[Text] Pec, 17 Dec (TANJUG)— Serbian President Slobodan Milosevic arrived in Pec this morning in the course of his tour of Kosovo and Metohija. He was welcomed by several thousand citizens on Republic Square.

Addressing the citizens of Pec and the vicinity, Slobodan Milosevic said that the Republic of Serbia will continue to pursue a policy of national equality and will guarantee the highest standards of human and civil rights of all national minorities. Everything else is exclusively for Serbia to decide about, not the international public and its will, President Milosevic said.

All those who say that the Albanian nation in Serbia is discriminated against should come here, to Pec and Metohija, and should show where this discrimination is, Milosevic said. The Serbian people have never in their history oppressed other nations, on the contrary, they have always offered help.

The Serbian president went on to say: We wish to have good neighborly relations with Albania, but only when they realize that they are not going to be able to take an inch of the state of Serbia. The Albanian people should not be identified with separatism, the Serbian president said, adding that separatists who drag their compatriots into crime and killings are the perpetrators of the crime themselves.

After that Slobodan Milosevic had talks with economic and political representatives of the Pec district in the Metohija Hotel.

He expressed pleasure that over the past four years there have been more Serbs and Montenegrins moving into than moving out of Kosovo and Metohija.

A tendency started which will be accelerated with the help from the Republic of Serbia that will create a better ethnic balance of population, Milosevic said.

Milosevic and his associates toured the largest industrial collective in Pec—the Kopeks shareholding shoe and leather company which employs around 2,000 workers.

At the end of his visit to Pec, hosts presented the Serbian president with a copy of the Pec Patriarchy Monograph as a token of their gratitude.

Speaks in Gnjilane

AU1712192092 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 17 Dec 92

[Report by Milos Lepovic from Gnjilane]

[Text] The Serbs and Montenegrins of Kosovo Pomoravlje in Gnjilane provided a splendid reception for their president. Addressing gathered residents, Slobodan Milosevic said:

[Begin recording] [cheering] I am very happy to be here in beautiful Kosovo Pomoravlje. [applause, chanting: Slobo, Slobo!] Cheers! [chanting, applause]

Nothing is more significant for the people of this region than the fact that migration has been halted and the population of Kosovo Pomoravlje has increased. [cheering, applause]

I am very pleased [cheering: Slobo, Slobo!] that this town has grown richer and more harmonious, which has contributed to the development of Kosovo and Metohija and the entire Serbia. I wish to say to you that our republic will in the future continue to take care of this town's development. It has enormous significance for our republic and nation because during times of the most unfavorable circumstances, the Kosovo Pomoravlje was able to stay free the longest. Today, where we are all free in our free country, we enjoy far better conditions and greater possibilities for this development. [cheering, applause]

Therefore, we only have one answer to all of those who want to impose foreign will upon us: In Serbia, Kosovo, and Kosovo Pomoravlje, the residents will decide and it is their will that shall be acted upon, the will of the Serbian nation and all those who live in Kosovo as Serbian citizens [cheering] regardless of their nationality, religion, [applause] profession, or political beliefs. [chanting: Slobo, Slobo!]

I want to tell you not to worry and not to allow yourself to be intimidated by anyone. There is no price for which we could let Kosovo go. [cheering] We want Kosovo to freely develop in a free country of Serbia. I am sure that our entire nation will make such a policy and goals come true. I am convinced that you will give your full contribution toward this policy and the realization of these goals.

I wish you much success in your work and lives and I greet you all! [cheering, applause] [end recording]

Adresses Kosovo Polje Rally

AU1712185592 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 17 Dec 92

[Report by Rade Tomic from Kosovo Polje]

[Text] President Milosevic was greeted by more than 30,000 people from all over Kosovo in Kosovo Polje. Warmly received with numerous photographs and placards with messages of support during his third visit to this town—the two previous visits took place in 1987—Slobodan Milosevic said that Serbia will not give Kosovo away for any price and that support must be extended to the Albanians who are predominantly loyal to Serbia, but are still under pressure and threatened by the separatists. He sent a message to the Serbs in Kosovo and Metohija to come to their senses and stop quarreling.

[Begin Milosevic recording] Permit me to greet you all wholeheartedly! [cheering] Allow me, allow me to speak! [cheering] Allow me to... [crowd cheering: Slobo of Serbia!]

Dear residents of Kosovo Polje! I am very pleased that I have the opportunity to greet and see all of you here. The uprising against the injustice that the Serbian people in Kosovo and Metohija suffered under for decades started here, in Kosovo Polje, a few years ago. [cheering: It is so!] The people of Kosovo and Metohija—and especially this place, Kosovo Polje—had enormous merits in this, as well as in Serbia's unification, overcoming all circumstances that hindered free development of a unified Serbia, and abolishment of pressures that had long been exerted upon this nation. Here, in this town, we have heard of ethnic cleansing for the first time, which the Serbian nation is now being unjustly accused [cheering: It is so!], that had been exposed to this pressure and ethnic cleansing for the first time here, in Kosovo, on the territory of the former Yugoslavia. We have learned the slogan ethnically pure Kosovo from the Albanian separatists. We have learned it from them for the first time and have heard of these ideas and this inhumane policy that was endangering this nation and this country from them for the first time. [cheering: "It is so]

At that time, when this horrible pressure was exerted upon the Serbian nation [crowd chanting: Slobo, Slobo!], neither Europe or the world were concerned. There was no attention and desire to protect the Serbian nation in Kosovo. Everything that had been committed against the Serbian nation here was not disturbing then. Nowadays, they are worried by ethnic cleansing which does not exist anywhere in Serbia and is not practiced anywhere as the Serbian nation would never disgraced itself with such inhumane deeds. [indistinct shouting in the background] We in Serbia wish to have a successful and a free country. This is only possible if we follow the policy of brotherhood and unity. [crowd chanting: Slobo, do not give Kosovo!]

The Residents of Kosovo Polje! I wish to tell you that we will adhere to the policy of ethnic equality (?throughout Serbia). This will be the case in Kosovo, Vojvodina, and in central Serbia, everywhere where the Republic of Serbia has its authorities and where its citizens are making decisions. You can be sure of that! [cheering: It is so!]

I want to tell you not to worry! Do not worry and fret that we would ever give Kosovo away! [cheering, applause] Serbia and the Serbian nation will never give Kosovo away! [chanting: Slobo of Serbia!]

However, I would also like to address some criticism to you. We are all worried when we hear of your quarrels, and I would like to say that we cannot talk of the need to have worldwide friends if we are not friends to each other [shouting: It is so!] Therefore, I would like to urge you, here in Kosovo Polje, to come to your senses and stop quarreling. [cheering, applause] Those who argue do not need any other enemies—we have plenty of them without ourselves. Here in Kosovo, where the situation was the worst due to the Serbian disunity some 600 years ago, this curse must be broken and the Serbian disunity must be stop. You must stop settling accounts and confronting each other. You must do everything to develop unity, but not only within the Serbian nation but unity, understanding, and love with all those who live in Kosovo.

We know that there are many Albanians in Kosovo who do not approve of the separatist policy of their nationalist leaders. They are under pressure, intimidated, and blackmailed, but we shall not respond with the like. We must respond by offering our hand, living with them in equality, and not permitting that a single Albanian child, women, or man be discriminated against in Kosovo in any way. We must, for the sake of ourselves and our nation and for the sake of all Serbian citizens, insist on the policy of brotherhood, unity, and ethnic equality in Kosovo. We shall persevere on this policy. I wish you all success, good health, and all the best! Cheers! [applause, crowd cheering: Live long!] [end recording]

Socialists Attack 'Interference' in Elections

LD1812043292 Belgrade TANJUG in English 0107 GMT 18 Dec 92

[Text] Belgrade, Dec 17 (TANJUG)—Serbian President Slobodan Milosevic on Thursday said that the interests of Serbia were the policy of the Serbian ruling Socialist Party.

Milosevic is a presidential candidate at the early elections in the Federal Republic of Yugoslavia, set for December 20.

At an election rally of the Socialist Party of Serbia (SPS) in the Belgrade Congress Centre, Milosevic said that he firmly believed that 'this policy will succeed in the interest of Serbia.'

The head of the SPS list for the federal elections in Belgrade, the biggest of the nine election constituencies at the federal elections, republic Foreign Minister Vladislav Jovanovic said that the Serbian people would soon say 'no' to all uncompromising foreign demands and that his party believed in the people 'while others seek help from abroad.'

Jovanovic expressed the conviction that 'Serbs will once again choose their own regime and not a vassal state.'

'We reject any interference in our election process and threats from foreign countries which want to influence the voters who should make their own decision about their fate,' Jovanovic said.

Jovanovic stressed that the Serbian people would not assume blame for something for which they were not responsible.

At the Sunday elections 'we will choose between the cheap American dream that they want to buy for us and the precious Serbian dream, paid by millions of victims,' said the president of the SPS Belgrade committee and head of the SPS list for the republican elections, Nebojsa Covic.

SPS member Ratko Markovic said at an election rally of the ruling party in Jagodina, central Serbia, that the 'elections in Serbia and Montenegro have been provoked from abroad, the real reason is concealed, but we know that it is pressure on the people to choose vassals such as Gorbachev and Havel', (the former presidents of the Soviet Union and Czechoslovakia, respectively).

Markovic also said that if the SPS won the elections, it would not accept early elections yet again.

Opposition Party Warns Muslim 'Separatists'

LD1612120292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1546 GMT 15 Dec 92

[Text] Belgrade, 15 Nov (TANJUG)—The Serbian National Renewal [SNO] held a central election rally in the trade union house in Belgrade today. Leading candidates at the forthcoming elections were presented at the rally.

SNO Chairman Mirko Jovic said the main party objective is the unification of all Serbian countries and the creation of a kingdom, which will not be called Yugoslavia but "United Serbian Countries."

Jovic explained that the SNO is standing in the elections because, as he put it, the Serbian people are free and unified in all its territories. Now it is necessary to launch a fierce diplomatic and political initiative to gain diplomatic recognition for that unification, he said.

According to Jovic, the quality of SNO candidates who are prepared to sacrifice their lives for the Serbian people and party goals gives the party an important competitive edge.

"Our deputies will urge the state to deal strictly with all separatists. All those following [Sandzak Muslim leader Sulejman] Ugljanin and [Kosovo Albanian leader Ibrahim] Rugova should keep in mind what happens to those who try to form states on Serbian territories," Jovic stressed.

The SNO chairman called on all those favoring separatism to see the present condition of Rogatica, Zvornik and other towns where people tried to form other states by the use of force.

"We are not ashamed of saying that we are helping with all available means the struggle of the Serbian people in Krajina and Bosnia-Hercegovina. With our strength w must defend every inch of our country," Jovic stresse

Urging national reconciliation of all Serbs, Jovic criticized the ruling Serbian party for not showing any signs of wanting a reconciliation with those living abroad.

Finally, Jovic expressed the hope that the international community will recognize the results of a war, which the Serbs have won by risking their blood beyond the borders of the present-day Yugoslavia, and said that the Serbian people have to secure their right to have their own state.

At the meeting, it was said that the SNO advocates a monarchy and the return of the Karadjordjevic dynasty, and that it is one of the few parties that has its branches in all Serbian lands.

The meeting was also addressed by SNO President for Canada Pero Cerovic, who devoted most of his address to attacking presidential candidate Milan Panic.

Cerovic was applauded as he branded Panic, Vuk Draskovic, and Dragoljub Micunovic as members of a fifth column. He demanded that the parliament of the future Serbian state secure some 20 seats for Serbs living abroad.

SNO President for Montenegro Pavle Milic said it seems to him that half of Belgrade "resembles Tudjman's people rather than the Serbian people." He added that "the situation will change within a week, provided patriotic forces enter the parliament."

Milic said that if his party wins the elections it will send 10,000 volunteers to Hercegovina, and that the battle for the Neretva valley, which he believes is Serbian and will be Serbian again, has yet to take place.

Party Leaders on Election Prospects of Milosevic

93BA0287A Belgrade NIN in Serbo-Croatian 20 Nov 92 pp 12-13

[Text] What is your assessment of the position of Serbian President Slobodan Milosevic a month before the election?

Rasim Ljajic, secretary general of the Party of Democratic Action for Sandzak:

Failed Opposition

We feel that the opposition is disoriented and disorganized, and that this strengthens President Milosevic's position. The opposition has obviously failed to fully exploit Serbia's international isolation, into which Milosevic has drawn us. He himself has acknowledged that he solves problems by creating bigger problems out of smaller ones, so that Milosevic is obviously the best swimmer in the political backwater that is currently present in Serbia.

On the other hand, he always holds on to one of the potential focal points, such as Kosovo and Sandzak, for example, using them to further homogenize Serbs, and thus diverting the public's attention from economic problems. It is certain that Milosevic will try to engender as much chaos as possible in Serbia itself during this preelection period, and with the help of his main bases of support, such as Kosovo and Sandzak Serbs and naturally Vucelic's television, he enters the election race with a significant lead. For this reason, we believe that it will be a success if the opposition gets between 30 and 40 percent of the electorate. Anything above that will be equivalent to an upset.

Prof. Dr. Ilija Rosic, member of the Social Democratic Party:

Drop in Ratings

I think that his ratings have dropped, despite the fact that a significant share of people still think that he should be president of Serbia.

I believe that the most important factor in Slobodan Milosevic's drop in ratings is the personnel encirclement, much more than his activities.

Nebojsa Jankovic, spokesman for the Democratic Party of Serbia:

Only 35 Percent

It is evident that the Serbian president's ratings have been dropping over the past six months, because of the two political figures whose ratings are on the rise. I think that if there were a good alternative candidate in the presidential election, he would not get more than 35 percent of the electorate. In Belgrade, Vojvodina, and Sumadija he would not get any more than 25 percent, and in southern Serbia around 50 percent.

Radomir Smiljanic, chairman of the Serbian Democratic Party for Serbia:

Club Wrapped in Cellophane

If the gentlemen in the West thought that by starving the Serbian people and the citizens of Yugoslavia they would put Serbian obstinacy to the test, they demonstrated a cowboy type of political dilettantism in their policy toward both the former and the current Yugoslavia. If we in the opposition can concentrate all our forces, we can place at the top of our lists, with their high-sounding names, the name of a great man like Dobrica Cosic. The gentlemen who are freezing children and destroying the sick and the helpless, destroying our cultural and sports ties with the world, are actually only consolidating Slobodan Milosevic's hold on power, against whom they are demonstrating the democracy of a club wrapped in cellophane.

Zoran Djindjic, chairman of the executive committee of the Democratic Party:

He Is Clinically Dead

There are few political figures in history whose objective position differs from their subjective position as much as is the case with Milosevic. Objectively, Milosevic is politically dead. Or to be more precise, he is clinically dead. There is not a single instrument of political medicine that could revive him. At the present time, however, and that means in people's consciousness, he has been such a presence that for many it is difficult to imagine Serbia without him.

Perhaps Serbia will break down over this horrible discord between Milosevic's objective and subject status, and not only this preelection Serbia, but also the Serbia of the near future. If we do not come to our senses, if the logic of reality does not overcome the logic of illusion, then we as a nation will find ourselves in the position of passengers on a spaceship who do not know that the star that they have chosen as their final refuge has long since disappeared, even though its light continues to wander through space for some time.

Milan Paroski, chairman of the People's Party:

Imperiled Figure

I think that Slobodan Milosevic is in an extremely undermined position, which naturally is detrimental not only to him, but also to Serbs and to this state. The ultimatums and extortion from the world, which are personified in the demand that he leave the political scene, the famous cry from the 14th Congress of the LCY [League of Communists of Yugoslavia] that the congress is not finished, and the very bad moves that he has made, like supporting Ante Markovic at first, signing the Vance Plan (even though he was not chosen as president of the Republic in Vukovar, Knin, and Banja Luka, and thus contrary to the Serbian Constitution and the authorities of the president of the republic), the selection of two

incompetent and very bad mandators (the first one, Zelenovic, left behind unfinished business, and the second, Bozovic, completely ruined the economy), the refusal to form a Serbian armed force and diplomatic corps, to unite the Serbian lands, the imposition of the Zabljak Constitution, the clashes with the federal prime minister whom he had brought to power, the clashes with President Cosic—all this shows that the president of the Republic of Serbia is a very imperiled figure. A statesman who has not done any quality work.

Aleksandar Ilic, vice chairman of the Serbian Liberal Party:

Now Is Worse

I think it is worse than before, but still solid enough that he could win. The same is true of his party, although it is in a somewhat worse position.

Vojisav Seselj, chairman of the Serbian Radical Party:

We Are Serious

I do not pay much attention to other people's ratings. We are a serious political party, and we have no comment now about other parties.

Jovan Cepic, chairman of the Yugoslav Democratic Party:

Fell With Police

I believe that the reputation and popularity of Slobodan Milosevic and of the SPS [Socialist Party of Serbia] in the Federal Republic of Yugoslavia [FRY] declined significantly with the forcible usurpation and occupation of the Federal Ministry of Internal Affairs of the FRY building. In any event, I think that Slobodan Milosevic, as the leading man of the SPS and as the head of state, should democratize relations and conduct in all public information media in Serbia.

Macedonia

UN Troops To Arrive First Half of January

AU1812130592 Paris AFP in English 1204 GMT 18 Dec 92

[Report by Nicholas Miletitch]

[Text] Skopje, Dec 18 (AFP)—The first of 700 U.N. troops will begin to arrive in Macedonia in the first two weeks of January to try to prevent a new war in the Balkans, Defence Minister Vlado Popovski said here.

Following last week's U.N Security Council resolution, the U.N. Protection Force (UNPROFOR) in former Yugoslavia is to patrol the western and northern borders of this state to try to stop the Balkan conflict from spreading.

Five UNPROFOR personnel are already in Skopje to arrange facilities for the expected 700 soldiers, 35 observers, 26 police officers and 50 administrative personnel.

"Macedonia asked for about 1,400 troops," Popovski told AFP. "As we got half of that, we will have to change our plans".

In what is said to be the first preventive deployment of U.N troops, the Security Council has agreed to defend the borders of a country which is still not recognised as independent owing to its dispute with Greece. Athens claims that the name "Macedonia" belongs exclusively to a northern province of Greece.

The U.N.'s concern stems from the fear that should fighting break out between ethnic Albanians and Serbs in the Serbian province of Kosovo, forces from Albania will cross Macedonia to support their kinsmen, and a full-scale Balkan war will erupt.

Macedonian Albanians—between 20 and 50 percent of the republic's 2.3 million population—would also come to the aid of Albanians in Kosovo.

Unrest among the Albanian majority of Kosovo, which lies immediately north of Macedonia, has already attracted international attention. The government of Albania, which marks Macedonia's western border, has given notice that it would intervene in Kosovo if fighting broke out there.

"All the elements for a war are present," said a Western diplomat here, "It is like a time bomb, it could explode at any moment".

The UNPROFOR troops will principally monitor the borders, said Popovski. He added they could even play a peace-making role if armed clashes broke out.

"Above all," the diplomat said, "we are scared of guerrillas infiltrating Macedonia through that part of the country which is 90 percent Albanian."

The UNPROFOR troops will also monitor the Serbian-Macedonia border to try to prevent infiltration by Serbian fighters who might try to stir up trouble among Macedonia's 35,000-strong Serbian community.

"We hope that the Bosnia-Hercegovina conflict will not be repeated here," Popovski said.

The Macedonian parliament will shorty pass a bill legalising the agreement between the government and UNPROFOR.

Politicians on Political, Economic Situation

PM1712120692 Paris LIBERATION in French 12-13 Dec 92 p 13

[Report by Veronique Soule: "Macedonia: The High Price of Recognition"]

[Excerpt] Skopje—[passage omitted] Although excluded from international relations, Macedonia has decided to respect the sanctions against Serbia and Macedonia decreed by the United Nations. However, these sanctions are fully affecting it. Belgrade was an important commercial partner and a large part of Macedonia's international trade passed through Serbia. With almost one-third of its working population unemployed or laid off, Macedonia, already the poorest republic in former Yugoslavia, is sinking into economic chaos. "We have asked the UN sanctions committee for permission to send goods through Serbia so that we can continue some of our exports and to receive our oil," Ivanco Stefano of the foreign relations ministry explained. "But it is a very slow process. And will we ever receive a reply?"

Macedonia is also suffering as a result of the economic war, which Greece is waging against it. Athens recently blocked 70,000 tonnes of oil in the port of Salonika before releasing 20,000 tonnes "for humanitarian reasons." They are blowing hot and cold to keep up the pressure," Ivanco Stefanov alleged.

With its long lines waiting outside gasoline stations, its big stores with their shelves half empty, buildings and offices heated intermittently according to oil supplies, Skopje seems even more badly affected by the sanctions than Belgrade. "Serbia had made careful preparations, we had not," Finance Minister Dzevdet Hajredini said. In addition to the smuggling networks which, as in Serbia, are prospering, some Macedonian enterprises are exploiting the embargo by using their names as cover for Serbian enterprises to enable them to export.

The political situation is scarcely better. All the parties, including those which represent the Albanian minority, are demanding the recognition of the new state. But behind this fine unanimity, the government of President Gligorov, an economist with a Titoist past whose moderation is praised by the West, faces two dangers: the radicalization of the Albanians (21 percent of the population officially, up to 40 percent according to the Albanians) and the rise of the Macedonian nationalists of the Party of Macedonian Nationalists [VMRO], the biggest party in parliament.

"We have opted for the institutional approach; we have even agreed to take part in a weak coalition to prevent war," Muhamed Halili, coordinator of the parliamentary group of the Democratic Prosperity Party (representing the Albanians), explained. Unlike their "brothers" in Kosovo who are boycotting political life, Macedonia's Albanians have five ministers in the government and say they want to live in Macedonia. But although the Constitution describes Macedonia as the Macedonian people's state, they refuse to be treated as a minority and are demanding equal status to the Macedonians.

"Aside from the resumption of teaching in Albanian, we have not obtained anything in the sphere of our rights," Muhamed Halili said. The deputy states that the Albanians are the victims of an "ethnic vote" in parliament, with all the Macedonian parties uniting to counter their initiatives, like the request to see identity cards written in Albanian, too (which uses the Latin alphabet whereas Macedonian is written in Cyrillic) or to have Albanian on the new currency (the Macedonian denar, coupons which resemble bank notes).

For the Macedonian nationalists in the VMRO, the "extremists" at the head of the Prosperity Party are secretly seeking secession and the formation of a "Greater Albania." Stojkov Stoile, a VMRO deputy, retorted, "Turkish written documents show that there was not one Albanian in the region 200 years ago." "They are demanding rights which no one in the world has ever had; they even want more rights than us and this is our country," Tomislav Stefkovski, a deputy, added.

In the dangerous vacuum in which Macedonia is developing, it seems that nobody at present stands to gain from increasing the tension. This is demonstrated by the desire to play down the 6 November clashes between Albanians and the Macedonian police in which four people were killed. But if the vacuum persisted, leaving an economically drained Macedonia alone faced with the appetites of its Balkan neighbors, the precarious balance could collapse. And Macedonia could once again become the powder keg, which rocked Europe at the beginning of the century.

Prospects for Southern Front in Macedonia

93BA0276A Skopje PULS in Macedonian 19 Nov 92 pp 10-12

[Article by Eleonora Karanfilovska: "A Desert in the Oasis of Peace"]

[Text] *"The Balkans is both a cradle and a paradigm, a superior and inaccessible model of the entire wealth of the original substance of man. It is the synonym of a time in which mankind has not yet been distilled, has not defined itself and, therefore, has not denied itself all other opportunities."*

Ferid Muhic, *"Balkan Anthropological Infinity to the 'Satanic Verses'"*

The world turned a deaf ear when we were trying to persuade it that the Republic of Macedonia was the only one that had been able to preserve peace and develop its statehood democratically.

Will it listen more attentively now that we are speaking of the "southern front" as a threat to this state and this democracy?

If, initially, the international community did not recognize the independence and sovereignty of the State of Macedonia, why would it do so now, in order to protect a statehood that to date it has not recognized?

Politics is a type of mathematics wherein, regardless of the functions you execute, such as division, addition, or subtraction, you achieve something in the end. However,

whereas in mathematics two pluses yield another plus, in politics plus and plus means giving to one side and taking from another. That is, unless you have several factors—five, for example, of which four are performing different operations, with the negative factor being avoided and a plus at the end, so that the fifth factor turns into a "plus zero".

It was on the basis of such logic that Greece proposed the "initiative" pertaining to the border of the Republic of Macedonia—not with us, but with our neighbors, once again reminding its European partners and other members of the international community that this affects only the Balkans, after all. It is only in the Balkans that talks among different countries at the expense of, or about the territory of, one of their neighbors, but without its participation (and allegedly regardless of demands for border guarantees), can be accepted and welcomed as a positive initiative. To believe that by this token, all that Athens wants is to postpone recognition of Macedonia by providing "arguments" and "assertions" through the medium of statements in favor of firm borders by the "good neighbors," which would negate the claim by the Macedonian leadership that the war could possibly spread southward, would be to underestimate the enemy. To judge from its past actions, Greece is not offering a reason of this sort. On the contrary! The initiative could only have been interpreted in one way, in order not to seem surprising and also in order to be accepted within a single day, and apparently without consultation, by the other "concerned and well-intentioned" neighbors.

This, today, is perhaps the first time since the argument about the "Macedonian issue" began that Greece has reacted with diplomatic steps based on foreign rather than domestic policy. Not so long ago, Greek Prime Minister Mitsotakis was forced by the other members of the Community to deny the claims published in the German press to the effect that the Serbian leader and Republic President Slobodan Milosevic had called for the division of Macedonia. Only one month ago, the distinguished newspaper THE TIMES published a reliable report that Washington had been informed by several European governments of secret talks on the subject of Macedonia initiated by Greece with Serbia and, perhaps, with Bulgaria and Albania. The newspaper accused Mitsotakis of trying to broaden and intensify the war, stressing that complaints about the name of the area were being used as a cover for the eternal expansionist ambitions of Greece.

Statements about the borders were reported only a few days after the Greek press announced that Athens had proposed a "secret treaty," which Tirana and Sofia had refused to sign, allegedly because this would indirectly recognize the Union Republic of Yugoslavia. Whether this "secret document" merely stipulated "border guarantees" is questionable, especially if we take into consideration the fact that two days prior to the statements, the progovernment ELEPHTHEROS TYPOS had announced that Athens is changing its tactics and is trying to convince its European partners that it will not guarantee "Skopje's" borders if it is recognized as "Macedonia". The fact that the effect of this statement was the opposite of what was desired is also indicated by the forced "secret mission" of the Greek ambassador to Yugoslavia, whose present mandate is to keep the peace. In Belgrade, Elphtheros Karayanis tried to promote a disruption in the relations between Milosevic's Socialist Party and Seselj's Serbian Radical Party, because of the latter's "improper" military activities in the area, which hindered the United States and the European Community.

Meanwhile, if Bulgaria and Albania refused to sign a document which virtually recognizes the Union Republic of Yugoslavia, why did they reject the statement of the Ministry of Foreign Affairs of the Republic of Serbia but not that of Yugoslavia? Why is it that the statement did not include Yugoslav President Cosic's letter to Karamanlis confirming the borders of "the neighbor" described as "the Republic of Macedonia," unlike the report issued by "Serbian diplomacy," which used the term "former Yugoslav Republic of Macedonia?"

If the purpose of such statements is to guarantee the Macedonian borders, do they also apply to an eventual attack on the republic by some of its neighbors? Why is it that each guarantee also implies the conditions under which it is given?

If all four countries surrounding Macedonia have refused to sign this joint document, is it possible that they have signed bilateral agreements that may include other options they are holding in reserve?

The key question is the following: Why is it that the written confirmations issued by Serbia and Albania, as well as the Bulgarian verbal confirmation, guarantee the borders of the republic and its territorial integrity as of next 15 January? Could it be that a period of two months has been allowed to provide a way out of the "guarantees," since within that time, an internal destabilization of Macedonia might develop, so that these countries can assume the role of helpers coming from the East, North, or West?

And why not from the South, as well? Recently, the NDP [National Democratic Party] urged Mitsotakis to continue not to recognize the Republic of Macedonia. Is it possible that tomorrow that party, which is a coalition partner in the government, will demand military assistance from Greece? Especially in view of the obvious change in the statements (if not the views, as well) of Albanian President Sali Berisha, with his abandonment of his past insistence on the "statehood of the Albanian people in Macedonia" and talks of civil rights on the basis of which everyone in the Republic will be equal. In particular, his statements coincided with the visit paid to Skopje by the influential American Senator DeConcini, who clearly told the party representatives in the parliament that he had come in order to obtain statements from the "nationalist" parties concerning their support

of the demand made by the Macedonian leadership for recognition of the republic. He rejected the assertions about the threat to national rights, insisting on a "democracy that guarantees the civil rights and freedoms regardless of ethnic affiliation."

For that reason, the statements Greece has collected lately look very much like support for the Greek rejection of remarks made in the West to the effect that it is agitating about the threat to Macedonia from the outside and promoting Macedonian internal destabilization. It is a known fact that all of the Greek intelligence administrations (the KIP—Central Intelligence Service; the A-2 Service, which is part of the Armed Forces; the GDEA, which is the Main Administration for National Security, under the jurisdiction of the Ministry of Internal Affairs; and the ALAPADON, which is the administration for aliens' affairs) are operating jointly and under Prime Minister Mitsotakis, who is in charge of all aspects of the special war being waged on the subject of Macedonia. The activities of some of the personnel of the Greek consulate in Skopje, as well as some Greek newsmen in Macedonia, who are reporting on the latest developments of the "Macedonian Mafia and drug-traffic leadership," are carried out within the same framework.

It is entirely clear that the purpose of such statements is to prove that Macedonia is safe from danger from its neighbors, but that there is every indication of internal destabilization. How else can we interpret the Greek rejection of the request made by President Gligorov that UN forces be assigned to Macedonia, and the insistence that the mission of the "Blue Helmets" is not to stop internal fighting? Why would Greece, acting as a neighbor concerned about its borders, oppose the securing of the borders by an international unit, if it has not legally accepted them? Particularly since that initiative was welcomed by both Bulgaria and Albania.

The two months our neighbors have officially allowed themselves before they can guarantee the borders will provide an answer to the dilemma: "southern front" or "oasis of peace?" The reason is that, to complete the quotation with which we began, the Balkans "is a place where every possibility remains open. It is a place with a future."

Montenegro

Kostic Stripped of DPS Party Membership

LD1712191392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1644 GMT 17 Dec 92

[Excerpt] Podgorica, 17 Dec (TANJUG)—Montenegrin presidential candidate Branko Kostic is no longer a member of the ruling Democratic Party of Socialists [Demokratska Partija Socijalista, DPS].

This decision was reached at the DPS arbitration commission, which earlier today verified the existing situation arising from the fact that presidential candidate Branko Kostic accepted nomination by the Association of 1991-92 War Veterans.

The DPS statement notes that the objectives of the veterans group are contrary to DPS interests given that they decided to stand independently in the elections. [passage omitted]